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Tajik Premier Relieved; CIS Forces To Be Deployed

ITAR-TASS reports that Tajik President Rakhman Nabiyev signed a decree "relieving Akbar Mirzoyev, at his request, from his position as the republic's premier." Dushanbe Radio adds that Nabiyev then signed a decree appointing Mirzoyev as the Tajik charge d'affaires to Germany.

Dushanbe Radio reports that Tajik leaders "decided to deploy CIS military forces in areas where the political situation is tense." Agreements were signed during a meeting between President Rakhman Nabiyev and Air Marshal Yevgeniy Shaposhnikov.

Russia Mediates Cease-Fire Between Georgia, Abkhazia

According to Moscow Radio, Russia, Georgia, and Abkhazia agreed during a meeting in Sochi "to end all hostilities and movements of armed units from 31 August." Georgia and Abkhazia agreed to "hand over to each other the wounded, the hostages, and captives they had seized, and to hand over without any preliminary conditions the bodies of the dead. The Russian Federation undertook to render humanitarian aid to the victims of the conflict and confirmed its readiness to continue mediation efforts in settling the conflict." Meanwhile, Radio Rossii reports "the situation in this region remains tense and explosive for the time being. Nothing has been defused yet, and although there is a protocol agreement, it is not being carried out," notes the correspondent.

Ukraine Rejects Russian Friendship Draft; Criticism Banned

According to Kiev International, Ukraine "rejected a draft agreement on friendship forwarded by Russia on the grounds that the provision on close military and political cooperation serve exclusively the Russian interests." The text of the draft was submitted for examination by Ukrainian leaders during a summit in Yalta, but the "Ukrainian side considered it an attempt to revive a unitary state and deprive Ukraine of sovereignty", and therefore, rejected it.

Radio Rossii reports that the "leadership of the Ukrainian state television and radio company has placed a ban on circulation by central and local television and radio of a statement by RUKH Cochairman Vyachaslav Chornovil which contains criticism of the position by the Ukrainian president". It was also noted that "a statement for the press on the same subject by the U.S. ambassador to Kiev is also not recommended for circulation." The banned statements concern "Kravchuk's reaction to the results of the World Forum of Ukrainians."

Moldovan, Romanian Presidents Hold Talks

ITAR-TASS reports that a meeting was held between Moldovan President Mircea Snegur and Romanian President Ion Iliescu in Husi, Romania, in which the two sides "agreed to keep working together within the quadripartite mechanism and at international forums in order to maintain peace and stability in the region". Attention was also focused on "the further development of economic cooperation between the two countries." During the meeting, Snegur briefed Illiescu on the progress of Russian-Moldovan negotiations.

Russia, Tatarstan Conclude Economic Agreement

INTERFAX reports that Russia and Tatarstan concluded "a temporary economic agreement." According to the accord, Tatarstan will "adhere to the commitment to donate its share to the Russian budget and that the original sum of 4 billion rubles would be reconsidered in keeping with inflation. Russia will not impose taxes on oil sold by Tatarstan or imported goods." Tatar Prime Minister Sabirov noted that Tatarstan does not need its own army and that "all defence matters are delegated to the federal Russian government and participation in maintaining CIS defences will be effected physically and materially through agreements with Russia."

Ukraine Reportedly Violates Fleet Agreement

OW2908154392 Moscow INTERFAX in English 1513 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] The Black Sea fleet press-center issued a statement today which says that the Ukrainian Defense Ministry and the naval organizing group "against violated agreements on the Black Sea fleet." The statement says that Ukraine, without notification of Russia, attempted on August 28 "to place under own authority" the Black Sea Nakhimov Naval School and another naval school in Sevastopol. "Ukraine is using force to take hold of the military schools training personnel for all CIS fleets," says the statement.

Black Sea fleet command Admiral Igor Kasatonov said that placing the two Sevastopol schools under Ukraine's authority "adds to tension" in the fleet and has caused a negative response in Sevastopol.

Draft Property Rights Accord Ready for Bishkek

LD2908000992 Moscow ITAR-TASS World Service in Russian 2030 GMT 28 Aug 92

[By BELINFORM correspondent Larisa Lazar for TASS]

[Text] Minsk, 29 Aug—The draft agreement on the mutual recognition of rights and the settlement of property relations will be examined at the upcoming meeting in Bishkek by the heads of governments of CIS countries. The work by experts on drawing up this documents was completed in the Minsk headquarters of the working group of councils of the heads of states and the heads of governments of the CIS. It was ratified by plenipotentiary representatives of Armenia, Belarus, Moldova, Kazakhstan, Russia, Tajikistan, Turkmenistan, Uzbekistan, and Ukraine.

The draft document, in the opinion of its authors, should become the basis for full interstate relations and create the conditions for the effective development of industries and the preservation of the unified technological complexes that have evolved.

Nikolay Shumskiy, counsellor of the CIS working group, told the BELINFORM correspondent that an accord has been reached on a number of the most important questions. Guided by national legislation, the sides recognize that ownership of property, including financial resources, enterprises, institutions, and organizations formerly subordinate to the Union, situated on the territory of a given state, passes over to them. The draft also recognizes the right of ownership of the other side with regard to enterprises, institutions, and other facilities situated on its territory and which as of 1 December 1990 were under the jurisdiction of bodies of state administration, corporate bodies, and private individuals of the former Union republics.

Weekly INTERFAX Trade & Investment News

OW2808042092

[Transmitted via KYODO]

[Editorial Report] Moscow INTERFAX [IF] in English, as received via Tokyo KYODO at 1826 GMT on 27 August, carries its weekly "Trade & Investment" feature. The following stories concerning international investment are carried within the "Headline News" section of the weekly feature:

RUSSIA ALREADY HARVESTED 64 MILLION TONS OF GRAIN. At the beginning of the week grain had been harvested from 55% of the planted area in Russia; the harvest continues in northern regions of Central Russia, while work is only just beginning in Siberia.

By this time last year 70% of the fields had been harvested.

AZERBAIJAN BANS BARTER DEALS. The First Deputy Prime Minister of Azerbaijan Vakhid Akhmedov said that the Cabinet of Ministers passed a decision banning all barter deals beginning in 1993.

Akhmedov also said that firms and organizations will be given the opportunity to fulfill all liabilities to foreign partners by the end of the year.

RAZNOOPTORG—THE MAIN INTERMEDIARY BETWEEN THE RUSSIAN OIL PRODUCERS AND THE TURKMEN COTTON GROWERS. The wholesale intermediary company, Raznooptorg, which belongs to the Russian Ministry of Trade and Material Resources has been given the exclusive rights to organize the mutual clearing accounts for shipments of oil from Russian and cotton fibre from Uzbekistan. In accordance with a resolution of the Russian Government of August 21 the company will buy oil from the Russian oil producers at a price of 2816 rubles per ton, which includes both value added tax and transportation costs.

Raznooptorg will also receive an interest-free loan of 2 billion rubles for the purchase of cotton fibre from the enterprises in Turkmenistan. The amount of the loan, which must be repaid to the republican budget before January 1, 993, may be changed if there are changes in the price of oil in Russia in 1992.

A government resolution exempts the enterprises selling oil to Raznooptorg from making payments to the Ministry of Finance's price regulation fund. Before the end of the year the Russian Ministry of Fuel and Power will assign quotas of up to 1 million tons to ministerial enterprises supplying oil to Turkmenistan. The export of Russian oil to Turkmenistan on a clearing basis will be made without the payment of customs export duties.

Under the terms of a government resolution passed on June 28, which became invalidated on August 21, oil

supplied to Turkmenistan should be sold at a price not less than 12,700 rubles per ton.

BELARUS TO EXPORT WORK FORCE IN FACE OF GROWING UNEMPLOYMENT. The State Labor Committee (Goskomtrud) of Belarus (a government organ which handles labor resources) will issue licenses as of July [month as received] 1, 1992 for the recruitment of Belarussian workers by foreign nations.

The government has not previously regulated the export of the nation's work force. This process was handled by commercial organizations using unofficial channels and providing no guarantees to Belarussian workers. Leading Goskomtrud economist Vladimir enterprises are located will not be observed in Moscow, Sergey Melnichenko, first deputy chairman of Moskozem (a committee of the Moscow government) told "IF". Melnichenko said the presidential decree would create 300-400 thousand land owners in the city, presenting the government with unmanageable problems in developing Moscow's infrastructure.

Melnichenko said this decision is legitimate, since the Russian capital, along with St. Petersburg, are independent subjects of the Russian Federation which gives them the right to develop certain aspects of legislation on an equal basis with Parliament and the Russian Government. In addition, the sale or purchase of land is not provided for in the Russian Land Code.

Meanwhile lawsuits have been brought up in Moscow courts by owners of privatized firms who were refused land. The courts will not hear the cases.

TURKISH BANK OPENS $200 MILLION CREDIT LINE FOR KAZAKHSTAN. An agreement signed August 21st by the Kazakh "Alem Bank" and the Turkish "Eksimbank" stipulates that $165 million will be invested in industry and $35 million will be used to purchase consumer goods. Kazakh Vice President Yerik Asanbaev and "Eksimbank" president Akhmet Ertugrul reached an agreement under which the Turkish bank will help train personnel, provide technical aid and guide the nation in creating a reliable banking system.

AZERBAIJAN TO JOIN IMF AND IBRD. The decision to join the two organizations was passed by the Milli-Mejlis (parliament) August 20th. Parliamentarians said at the session that Switzerland may provide Azerbaijan with a $22.5 million non-installment loan to pay entrance fees. Azerbaijan's induction into international financial structures will be discussed by the directors of the IMF in Washington September 22nd.

During discussions by the Milli-Mejlis, Chairman Isa Gambarov said that for the time being Azerbaijan "is staying away from loans offered by these financial organizations."

Agricultural Developments for 23-29 Aug

LD3008002192

[Editorial Report] The following is a compilation of fileworthy reports not previously reported on agricultural developments monitored from CIS and Baltic sources from 23-29 August. Items are listed in chronological order by republic.

RUSSIA

In Samara oblast, the harvesting of grain crops is being completed. ITAR-TASS reports that the pessimistic summer forecast that the harvest of bread grain in the oblast would be a poor one has not come true. There are already 2 million tonnes of bread grain lying in the granaries. So far, 365,000 tonnes have been sold to the state but everything points to this figure being doubled. [Text—Moscow Radio Rossii Network in Russian 0700 GMT 27 Aug 92]

According to expert forecasts, farms of the Federation will bring in about 1 million tonnes of potatoes, which already now cost almost as much as apples in markets. A million is the minimum of what is required in order to live until the next harvest. In the Moscow region, due to hot weather and theft, the yield of the second crop of bread grain will be half as large as normal. [Text—Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 27 Aug 92]

A report from Tambov says grain growers are already finishing the sale of grain on state orders. To date, approximately 550,000 tonnes of grain have been handed in. Another 100,000 tonnes of cereal is expected to be submitted on top of the state orders. [Text—Moscow Russian Television Network in Russian 1900 GMT 27 Aug 92]

UKRAINE

Collective farms of Ivano-Frankovsk oblast delivered 80,300 tonnes of grain of the new harvest to state granaries and overfulfilled the state order. Farmers received with pleasure information from the state administration on increasing purchase prices for grain delivered in excess of the plan. [Summary—Kiev UKRINFORM in Ukrainian 1119 GMT 25 Aug 92]

The State Committee for Grain Products reported that as of 24 August farms in the Republic of Ukraine fulfilled 55 percent of the state orders for grain, amounting to 9.38 million tonnes. As reported by the Kharkov Novosti agency, the Crimean Council of Ministers has forbidden the transporting of grain and potatoes beyond the republic's borders until all the farms of the region have fulfilled the state orders. [Text—Moscow Programma Radio Odin Network in Russian 0730 GMT 27 Aug 92]

KAZAKHSTAN

Grain crops from the first 130,000 hectares have been threshed in Kustanay oblast. These are winter crops, oats, and barley. So far the average yield level has been 9.1 quintals per hectare. Wheat has not yet ripened. [Summary—Alma-Ata Kazakh Radio Network in Russian 0600 GMT 29 Aug 92]

ITAR-TASS Press Review for 29 Aug

LD2908121192 Moscow ITAR-TASS in English 1155 GMT 29 Aug 92

["Press Review"—ITAR-TASS headline]

[Text] Moscow August 29 TASS—The internal political situation in the country is the principal topic in today's newspapers, with emphasis on the situation in the zone of the Abkhazian-Georgian conflict.

SOVETSKAYA ROSSIYA writes about the incident involving the Kometa passenger boat which was rocketed by an unidentified helicopter on its voyage from Batumi to Sochi on August 27. One of the rockets hit the passenger saloon, injuring 11 people.

"Violence gives rise to rebuff," ROSSIYSKAYA GAZETA writes in view of the situation in the Caucasus, in Abkhazia in particular. "measures taken by Tbilisi on a lofty plea of punishing terrorists have brought about a real outburst of anti-Georgian sentiments among a considerable part of the Caucasian region," the newspaper points out.

"The decision by the Georgian State Council to bring troops to the territory of Abkhazia provoked a chain reaction of the exacerbation of inter-ethnic discord not only in this autonomous republic which is part of Georgia ... many highlanders who are notable for their temperament are already taking up arms". ROSSIYSKAYA GAZETA observes.

"I possibly made errors in my relations with people," former Georgian President Zviad Gamsakhurdia said in an interview with a ROSSIYSKAYA GAZETA correspondent in Groznyy (Checheno-Ingushetia). The newspaper's editorial board deemed it necessary to publish the full text of the interview, specifying that its point of view "does not coincide with all the theses expressed by Mr. Gamsakhurdia".

In the interview, the former Georgian leader describes the present leadership of the republic as "a criminal junta headed by Shevardnadze" and, in a prediction of a further development of events in Abkhazia, maintains that the Georgian leadership would continue to practise genocide and bloodshed until support from the Russian leadership is withdrawn.

In response to a question what the president in exile does, Gamsakhurdia said: "I continue my presidential activities, write addresses to the Georgian people, issue decrees, appoint people to various positions and engage in journalism".

KOMSOMOLSKAYA PRAVDA writes about the air disaster, the heaviest one over the past eight years, which occurred near Ivanovo, Central Russia, and in which 76 passengers of a TU-134 airliner died. It is reported that Russian President Boris Yeltsin, parliament speaker Ruslan Khasbulatov and acting head of government Yegor Gaydar conveyed condolences to the next-of-kin and relatives of the air crash victims.

Anatoliy Rakitov, head of the Information Analysis Centre of the administration of the president of the Russian Federation, describes in ROSSIYSKIYE VESTI how analytical information on strategic matters concerning the development of Russia and expert evaluations of the main processes, forecasts and scenarios of a possible development of events are provided for the president.

"Both as ambassador and simply as a citizen of Ukraine I consider that Russia is a top priority to us," Oleg Belorus, the ambassador of Ukraine to the United States, said in an interview published in today's TRUD newspaper.

"We are brought together historically. We have experienced the same misfortunes and difficulties. The economies of our countries are bound together very closely. We should not cross out a single line from our common history and we must respect the right to self-determination for both Russian and Ukrainian people.

"We expect that relations of brotherhood, partnership, cooperation and goodneighbourliness will grow stronger. Such relationships are not only possible, they are essential," Belorus emphasised.

"We are interested in Russia's successes and in her democratisation," the newspaper quotes Belorus as saying.

Evacuation of Kabul Embassy Complete

LD2908131192 Moscow ITAR-TASS in English 1241 GMT 29 Aug 92

[By CRIME PRESS correspondent Pavel Ovchinnikov]

[Text] Moscow August 29 TASS—A few minutes ago the last car carrying staffers of the Russian Embassy and other organizations and establishments in Kabul, as well as members of their families, crossed the Afghan-Uzbek state border thus successfully completing the evacuation of Russian citizens from Afghanistan where there were hostages of the clashes between the warring groups of the former Afghan opposition.

The majority of the Russian citizens returned home on board two cargo aircraft of the Russian Air Force on Friday [28 August], sources at the Russian Foreign Intelligence Press Bureau told CRIME PRESS.

According to the information received by CRIME PRESS, 24 foreigners-citizens of Mongolia, India, Indonesia and China were evacuated by the aircraft as well.

After the landing of a regular cargo aircraft to evacuate the last group of Russians headed by Ambassador Yevgeniy Ostrovenko was recognized as impossible due to a real threat of their death, it was decided to use other methods, including the operative ones, to achieve the goal.

With the assistance of General Dostum, Afghan Air Force planes brought the remaining group of Russians from Kabul to Mazar-i-Sharif and later, by car, to Uzbekistan.

The complicated operation was held under direct control of Russian President Boris Yeltsin, the Press Bureau said.

"Our institution did everything possible through every channel, including the closed ones, to influence the sides involved in the conflict and prevent loss of life among the Russian citizens," Press Bureau Head Yuriy Kobaladze told CRIME PRESS. "All necessary measures were taken both in Afghanistan and in other states".

Kozyrev Meets 'Last Group'

LD2908201692 Moscow ITAR-TASS in English 1944 GMT 29 Aug 92

[By ITAR-TASS diplomatic correspondent Sergey Postanogov]

[Text] Moscow August 29 TASS—The last group of Russian citizens arrived here late at night from Kabul. At the airport they were welcomed by Russian Foreign Minister Andrey Kozyrev.

In an ITAR-TASS interview he described the activities of Russian diplomats and members of their families in Kabul as "the courage, loyalty to the duty and nobleness". The minister said a whole set of measures, including contacts with international organizations, western and eastern states and leaders of the warring groups, was used to ensure the evacuation of Russian citizens.

Speaking on the development of further relations with Afghanistan, Andrey Kozyrev expressed the assurance they will continue since "Afghanistan has stopped considering Russia a hostile state".

"We will make efforts to search for ways of peaceful settlement in that state," said the minister.

Koyzrev Discusses 'Special Role' in Yugoslavia

LD2808162392 Moscow Radio Rossii Network in Russian 0240 GMT 28 Aug 92

[Text] Russia participated in the London Conference. Russia's policy in the Balkans has long traditions. In connection with this, correspondent Leonid Fink asked Russian Foreign Minister Andrey Kozyrev: What was the significance of Russia's presence at the London meeting? Does this mean that Russia intends to play a special role in the settlement?

[Begin recording] [Kozyrev] Russia is playing and will continue to play a special role in settling the Yugoslav conflict because this is, let us say, a zone of our interests. Second, we are being asked to do this by the Yugoslav republics, themselves, by all of them. They all have long historical links with us and are spiritually very close to us. So, this question is very clear and this is simply a fact of life. We cannot do other than play a special role here.

Moreover, this role is recognized by the whole world and the whole of Europe. The question is only whether we are going to play this special role in the way that the Soviet Union used to play it, that is, against all the others—say on the basis of the communist idea which was unacceptable to all the others—and thus our special position will be changed into confrontation with all the surrounding world, or now on the basis of some other mad idea such as some super Slav solidarity and so on. That way we shall immediately stir up confrontation again. If we adopt a position of Slav solidarity then someone else will adopt a position of, say, Moslem solidarity, and we shall all proceed toward the First World War, in various coalitions like that.

Therefore, our special role today—and here lies the special nature of this special role—is that it is based on democratic principles and on cooperation, partnership and even alliance with all the other democratic states—with Germany, France, the United States, the Slav republics, those states which are present here, Czechoslovakia, Bulgaria and so on. That is, a special role, yes, but not against the others but together with them.

[Fink] As we know the Russian press for some time carried criticism of the Foreign Ministry's policy in precisely this region. Is the present activity by Russia at this conference and in the future a response to this criticism to some extent?

[Kozyrev] Yes, perhaps, a response to the constructive criticism. But let us not delude ourselves. Non-constructive criticism will continue because what was not to some people's liking was not that we were inactive but the very nature of our activity. What was not to the liking of our opposition, particularly the communist opposition, the national communists or the national patriots of various hues was not that we were inactive. We have long been active here. Whereas in the first six months of the existence of Russia as an independent state we visited all the Yugoslav republics, we went to Sarajevo and so on in spite of the shelling and other things. That is, we found time to do this. So there are no grounds to speak about inactivity.

But what is not to their liking is something else. Under the pretext of talking about insufficient activity, they are criticising the very nature of the activity. They would like the activity to be directed against all the others in a confrontational manner. Why is this? Because they need this. What is in question here is not Yugoslavia. Here, they are cynically exploiting the motives of solidarity with the peoples of Yugoslavia. They are pursuing a policy which is essentially anti-Yugoslav, including anti-Serb, in order to use this for internal aims and here it becomes also an anti-Russian policy.

It is aimed at isolating the president, at isolating the democratic government of reforms from its real allies abroad, that is from the democratic economically developed countries, at driving a wedge between them on the basis of Yugoslavia. It does not bother them at all that the peoples of Yugoslavia suffer as a result. The opposition is interested in only one thing, that our activity should be confrontational in nature, should cause us to quarrel with our Western allies and should thus weaken the democratic government of reforms. That is the essence of all of this criticism. I am speaking about the non-constructive criticism.

But, of course, there is criticism which is based on the desire to make some sort of contribution, and we always welcome such criticism. Naturally, no one who is actually engaged in doing something can claim that he does everything absolutely correctly. Therefore, we are open to such criticism. By the way, we develop our position with scholars and politicians. But there is only one question. Criticism aimed at bringing about a change of political course will get nowhere, and we are not going to discuss that. Criticism which, within this democratic course, the course of participating openly in the world community, and being a member of the world community, here we are open for work and we shall be pleased to continue to take account of any criticisms. [end recording]

Views London Conference

PM2808144592 Moscow IZVESTIYA in Russian 29 Aug 92 Morning Edition p 5

[Report by Aleksandr Krivopalov: "London Conference: Key to Solution of Yugoslav Crisis Identified, But Bloodshed Continues"]

[Excerpts] London—The departure of the aircraft that was to carry the Russian delegation participating in the London Conference back to Moscow was somewhat delayed at Heathrow Airport. [passage omitted]

In conversation with Russian Foreign Minister A. Kozyrev, I asked whether there had been any marked changes in the position of the representatives of Serbia, Montenegro, and the new Yugoslav Federation.

"There have been changes," the minister replied. "They are that both the Serbian president and the Montenegrin president participated in the conference. At the same time, representatives of the federal authorities of this new Yugoslavia—D. Cosic and M. Panic—were here. It is perfectly clear that the old policy is associated mainly with S. Milosevic. It is hard to say at the moment whether this is true or not and, perhaps, it is not worth establishing. But that is the association in the public's mind. The new policy is associated mainly with Panic, since he has come up with a number of very important ideas. But I would say that Milosevic does not contradict Panic on this—at least, it has not happened so far. So the commitments Panic makes, Milosevic makes also. Which is why I say that it is very important that all the sides involved in the conflict are present here."

Obviously the minister is right. The impression is that although, of course, everything did not go smoothly here in London, the requisite consensus was achieved. The key to the solution of the former Yugoslavia's difficult problems was found nonetheless. It is said that the statement on the principles of a settlement and the action program to implement them were approved without much difficulty. [passage omitted]

Churkin Discusses Russia's Role at London Talks

LD2908114592 Moscow Mayak Radio Network in Russian 0651 GMT 29 Aug 92

[Interview with Russian Deputy Foreign Minister Vitaliy Churkin by Mayak Observer Viktor Levin on the Yugoslav peace talks; place and date not given—live or recorded]

[Text] [Levin] Vitaliy Ivanovich, you have visited the former Yugoslavia several times recently. Is Russia coordinating its actions with the United Nations and the EC or is it playing an independent role?

[Churkin] You used the words several times. I made one visit to Belgrade, immediately before the conference. It was a fairly busy visit. In the course of a single day I was received, as the representative of the Russian president, by Yugoslav President Cosic, Yugoslav Prime Minister Panic, Serbian President Milosevic, and Montenegrin President Bulatovic. I also flew to Podgorica from Belgrade. It was a busy day, with roughly six hours of talks, which gave us a better understanding of the situation ahead of the conference.

We have already come to the main point of your question. Russia played a substantial, independent role in ensuring that the conference achieved the results of which I spoke. In fact, I see no contradiction between an independent role and cooperation with other participants in the conference. In fact, it was the element of independence in Russia's position which was important at the most critical point of the conference, when it faced a real possibility of collapsing. British Prime Minister Major, who was chairing the conference, appealed directly to us. We held a number of intensive meetings for the next 90 minutes. We managed to hammer out a formula for the conclusion of the conference that allowed all delegations to return to the negotiating table. It is quite obvious that our work was appreciated not just by the Yugoslav sides but also by other participants in the conference.

Therefore, I think we can state with confidence that we again confirmed that our position is a balanced one, as we keep on saying. In other words, we do not succumb to extreme solutions. We are not adopting a blanket anti-Serb position, as some representatives are doing. But at the same time we are not offering the Serbs any guarantees along these lines—we are your traditional friends, we will not let anything happen to you, we will help you. We are not using such terminology at all. We are talking to you—we are telling them—and we realize how difficult the situation is. If you wish to help yourselves, we are here, and we are prepared to do what needs to be done.

I think this was an important result of our diplomacy at the London conference. We demonstrated that we have our own voice, that we have our own views, and that people listen to these views. Furthermore, the fact that we have our own views and our own voice played, one might be tempted to say, a decisive role. In any event it was obvious to everybody that it played a very important role in the fact that the conference reached a conclusion.

Japanese Foreign Minister Arrives for Visit

LD2908115592 Moscow ITAR-TASS in English 1128 GMT 29 Aug 92

[By ITAR-TASS diplomatic correspondent Sergey Postanogov]

[Text] Moscow August 29 TASS—Japanese Foreign Minister Michio Watanabe arrived here today for a working visit.

He will be received by Russian President Boris Yeltsin, will hold talks with his Russian counterpart, Andrey Kozyrev, and meet with State Secretary Gennadiy Burbulis.

The principal aim of Watanabe's visit to Moscow is to discuss matters connected with President Yeltsin's forthcoming official visit to Japan in September.

The problem of signing a peace treaty between the two countries, territorial issues, and a broad spectrum of matters concerning bilateral relations are expected to be discussed during Yeltsin's visit.

Yeltsin To Seek Aid From Japan During Visit

OW2908021092 Tokyo KYODO in English 0151 GMT 29 Aug 92

[Text] Moscow, Aug. 28 KYODO—Russian President Boris Yeltsin will seek 1.5 billion to 2 billion dollars from Japan next month for crude oil and natural gas projects, a senior Moscow official indicated Friday [28 August].

Russian Deputy Premier Aleksandr Shokhin, discussing Yeltsin's mid-September trip to Japan with Japanese reporters in Moscow, said Russian oil production fell by 20 million tons in the first half of the year from the same period a year before to 200 million tons.

Shortage of money for capital spending, old facilities and poor management are aggravating the production downturn, he said.

Shokhin urged Japan to disburse a 100 million dollar loan to Russia for food and medicine before Yeltsin comes to Tokyo.

The loan by the export-import bank of Japan was decided in 1990 but its disbursement was suspended over political unrest last year when the Soviet Union collapsed.

Yeltsin will seek Japanese economic and technical cooperation for 150 projects in the optical communications, automobile and other fields during his Japan trip, shokhin said.

On Russian debt, Shokhin said his country can repay up to 2.5 billion dollars a year of the former Soviet Union's 74 billion dollars in external debt.

It is difficult to repay more as Russia receives only 200 million dollars a month in exports, Shokhin said.

To Stress Economic Issues

LD3008095592 Moscow ITAR-TASS World Service in Russian 0845 GMT 30 Aug 92

[By ITAR-TASS correspondent Andrey Varlamov]

[Text] Tokyo, 30 Aug—President Yeltsin intends following up the five-stage plan which he propounded earlier to resolve the territorial problem, but before anything else he will make efforts in the course of his visit to Tokyo to establish relations of "businesslike cooperation" between the two countries, with the main emphasis on cooperation in the economic sphere. This was revealed by Viktor Ilyushin, first aide to the Russian president, in an interview published today in Japan's NIHON KEIZAI SHIMBUN, which he gave to the paper's Moscow correspondent.

The plan, put forward by Boris Yeltsin in January 1990, envisages the recognition by the sides of the existence of a territorial problem (which was made as result of a visit

Mikhail Gorbachev paid to Tokyo in 1991), the demilitarization of the disputed islands, the creation of a free economic zone there, the conclusion of a peace treaty between Russia and Japan, and a final solution to the problem, but by future generations.

According to Viktor Ilyushin, it is precisely the launching and subsequent strengthening of bilateral economic relations which will make it easier in the future to find a suitable way out of the territorial problem. Having adopted this approach, and mutually respecting each other's stand, Russia and Japan will be able in time to alter public opinion in both countries as necessary. In this regard, the final, fifth, Yeltsin thesis takes on particular significance, since subsequent generations will be able to look at this complex problem in a new way, provided that by that time full-blooded Russian-Japanese economic relations have been set in motion.

At this stage, in order to make progress at the talks on the "northern territories," the sides should discuss how far they can go to meet each other halfway, having realistically assessed the present state of affairs from every aspect. Therefore, I would not like Japan to stubbornly make the only, predetermined choice, the newspaper quotes the staffer of the president's apparatus. Russia, he continued, is ready to speed up the course of talks as proposals come in from the Japanese side. However, if Tokyo has been told that 12 drafts for a way out of the territorial impasse have been presented to the president of Russia, Moscow does not know how many of them are in the briefcase of Prime Minister Miyazawa.

Attaching great importance to the visit by the president to Japan in the overall context of Russian diplomacy in the Asia and Pacific region, Viktor Ilyushin noted that Russia would like to establish relations of multilateral cooperation with other countries of the Asia and Pacific region, too.

Yeltsin Spokesman on Kurils Options

LD3108084892 Moscow ITAR-TASS World Service in Russian 0355 GMT 31 Aug 92

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo 31 Aug (TASS)—Press Secretary of the Russian President Vyacheslav Kostikov urged Japan to display constructiveness in its approach to the South Kurils issue. His interview with the Japanese newspaper SANKEI SHIMBUN is published here today. Kostikov said Yeltsin's stand during his forthcoming visit to Japan may be either tough or directed towards cooperation. This will largely depend on Tokyo's steps.

Noting that the settlement of the Russo-Japanese territorial issue is "an exceedingly difficult job" due to known public sentiments in Russia, Kostikov said that the possibility of breaking the "territorial deadlock" during Yeltsin's visit would largely depend on the constructiveness of Tokyo. "If the Russian president arrives at the conclusion that Japan lacks the necessary understanding of Russian realities, his stand may become tougher. This cannot be ruled out," Kostikov noted. "If, on the other hand, he thinks that Japan is prepared to take important decisions in the economic and political spheres, then the president's position may turn out to be of great interest to Tokyo."

Confirming that Boris Yeltsin has 12 alternative solutions to the territorial problem, Vyacheslav Kostikov noted that this demonstrates the president's "wide choice of options."

"At the same time, this both complicates and simplifies the resolution of the problem, and Japan should realise this," the Russian president's press secretary stated. He also pointed out that in the resolution of the territorial problem Moscow intends proceeding from its national interests, including those in the economic sphere. "In solving territorial problems one must never overlook their economic aspect," Kostikov stressed. "And the South Kurils are of great economic value. Besides this, it is necessary not only to proceed from today's situation, but also to think about what value these territories will have in, say, 50 years."

Petrov Interviewed on Return From Japan, Korea

LD2808213592 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2000 GMT 28 Aug 92

["Novosti" newscast report by program presenter Tatyana Mitkova, including recorded remarks by Yu. V. Petrov, head of the Russian presidential administration, on 28 August; place not given]

[Text] Here is the opinion of Yuriy Petrov, head the president's apparatus, who has just held talks in Tokyo on organizing the president's visit.

[Petrov] I do not think that we are ready to make any kind of decisions today. If it is proved historically that the [Kuril] Islands belong to Russia then they should remain with us.

[Mitkova] After Tokyo Yuriy Petrov visited Seoul, which the Russian president also intends to visit. Here are his impressions of Korea and the Koreans.

[Petrov] On the whole, I would say that although we spent less time in Korea than in Japan, it feels substantially different. I would say that, by character, we are also closer to each other as peoples.

Official Calls Relations With Japan 'Abnormal'

OW2808164592 Moscow INTERFAX in English 1621 GMT 28 Aug 92

[Report by diplomatic correspondent A. Borodin; from the "Diplomatic Panorama" feature—transmitted via KYODO]

[Text] It is an abnormal situation when forty years following the end of war Russia and Japan have not legalized their relations, said an employee of the Russian MFA [Ministry of Foreign Affairs] in an interview to the DP [Diplomatic Panorama] correspondent on the eve of the arrival in Russia of the Japanese minister of foreign affairs, Michio Watanabe, and in anticipation of President Boris Yeltsin's official visit to that Far Eastern country.

The Diplomat emphasized that it will be the first visit to Japan by the Russian leader, noting that in the situation when all the reasons for ideological confrontation have been removed, Russia is seeking to become a normal civilized state and take its due place in the world community.

In touching on the options for resolving the problem of the South Kuril islands, which, knowledgeably, is one of the most controversial aspects in the Russian-Japanese relations, the diplomat averred that the Russian MFA is proceeding from the premise that "the problem of signing the peace treaty, including the territorial issues, should be resolved on the basis of law and justice". The solution should be just and mutually acceptable," he said.

The employee of the Russian foreign ministry also added that "it would be desirable to find the solution which would produce no more frictions between the two countries in the future. The diplomat concedes that any variant of the solution of this problem "should be understood and received by the peoples of our two countries".

In commenting on the calls heard in Russia to resolve the Kuril problem through a referendum, the diplomat said that "we need serious grounds for putting this issue to a plebiscite, while only law experts are capable of making an unbiased assessment of the situation." In his words, all variants of the solution to this problem proposed by various social organizations and political leaders, such as, for example, the idea of joint government of two Kuril islands and establishment of a free economic zone there should be evaluated proceeding, first and foremost, from the official position of the Japanese side. Japan wants its sovereignty to be recognized over the islands of Kunashir, Iturup, Shikotan, and Habomai.

This position taken by Japan, the diplomat noted, does not leave room for any variants. So long the Japanese side has not indicated that it is seeking any compromises in this regard.

As regards the development of the countries' trade and economic relations, they are obstructed by a solid debt, amounting to several hundred million U.S. dollars, the Russian and CIS enterprises to Japanese companies. Problems like this are typical of the transitional period which Russia finds itself in now when state monopoly for external economic operations no longer exists and privately-owned enterprises have not gained enough potentials.

The diplomat also referred to certain provisions of the Russian internal legislation regulating entrepreneurship inside the country which discourage our potential trade partners in Japan.

At the same time, noticeable progress is observed in some aspects of our relations, he said. In particular, we are conducting talks with Japan about a state credit amounting to $700 mn [million] for insuring the transactions on supplies to Russia of equipment for developing oil and gas deposits.

In making an assessment of the prospects for the countries' trade and economic relations, the Russian diplomat said: "The Japanese government is strictly adhering to the principle of inseparability of politics from economics, which implies that large-scale credit- and-finance cooperation would be possible only cardinal progress has been made, as a minimum, in the territorial problem.

Parliamentary Faction Supports Kurils' Return

OW2808142992 Moscow INTERFAX in English 1351 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] Coordinator of the Russian parliament's radical-democratic faction Sergey Yushenkov said that "the islands of Shikotan, Etorofu, Kunashiri and Habomai, the subject of the Russian-Japanese territorial dispute, have never belonged either to the USSR or to Russia". These islands should be returned to Japan, he said. With co-chairmen of the Democratic Russia movement Gleb Yakunin and Lev Ponomaryov, Yushenkov visited the Kuril islands a few days ago.

Ponomaryov said during the final press conference in Yuzhno-Sakhalinsk, as he was commenting on Yushenkov's statement, that "this does not mean that we have no right to lay claims on Iturup and Kunashir". Juridically, he continued, even the International Court of Justice may recognize Russia's sovereignty over these islands".

Yakunin and Ponomaryov also believe that if Shikotan and Habomai are passed to Japan in accordance with the Soviet-Japanese 1956 Declaration, Russia should insist on the conclusion of an agreement that would reserve for it the right to catch fish in the South Kurils' water area.

Meanwhile, the newspaper Sovetsky Sakhalin, issued in Yuzhno-Sakhalinsk, reports that the radical-democratic leaders' visit raised a wave of protests in the Kurils.

On Saturday [29 August], Chairman of the Federation of Independent Russian Unions Igor Klochkov is expected to arrive in Sakhalin. The press center of the Council of the Federation of Sakhalin Unions reports that he intends to investigate the South Kuril problem on his own.

Gaydar Receives PRC Defense Minister

LD3108095992 Moscow ITAR-TASS World Service in Russian 0918 GMT 31 Aug 92

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Moscow, 31 Aug—"Our military and technical ties with China recently have been developing dynamically," Yegor Gaydar, acting chairman of the Russian Federation Government, said today at the opening of his meeting with PRC Defense Minister Colonel General Qin Jiwei. He assessed positively the talks which were held previously between the PRC defense minister, Russian Federation Vice President Aleksandr Rutskoy, and Russian Defense Minister Army General Pavel Grachev.

Aleksandr Shokhin, deputy chairman of the Russian Federation Government and Defense Minister Pavel Grachev took part in the talks on the Russian side.

The Russian Government is very positive about the development of relations with the PRC, Yegor Gaydar stated after the meeting with the Chinese minister. "Overcoming entirely the elements of confrontation which have existed between us, without a doubt, is working to strengthen the geopolitical positions of Russia and China," he stressed.

According to the Russian Government's acting chairman, the development of relations with the PRC is one of the most important priorities of Russian foreign policy. Military and technical relations, inter alia, are developing between our republic and China, and "we have here many mutual interests, including major opportunities to employ that capacity of our defense industry which has been released in connection with the sharp reduction of military expenditure."

In turn, answering a question by an ITAR-TASS correspondent, Chinese Defense Minister Qin Jiwei denied a report about his government's intention to buy the Varyag heavy aircraft-carrier cruiser from Ukraine. He described it as "groundless rumors."

This afternoon the outcome of the talks will be summarized at a meeting at the Defense Ministry between Pavlov Grachev and Qin Jiwei. On the same day the Chinese delegation is leaving for home.

Minister Visits Space Training Center

LD3008105892 Moscow ITAR-TASS World Service in Russian 0920 GMT 30 Aug 92

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow, 30 Aug—PRC Defense Minister Qin Jiwei, who is on an official eight-day to Russia, paid a visit today to the space training center in Moscow Oblast. The head of the Chinese Defense Ministry laid flowers at the monument to Yuriy Gagarin and visited the museum of cosmonautics.

Official Expresses Support for Allies on Iraq

PM2808145192 Moscow IZVESTIYA in Russian 29 Aug 92 Morning Edition p 5

[Konstantin Eggert report: "Evacuation of Russian Citizens' Families From Baghdad Under Way"]

[Text] A group of U.S. Air Force aircraft has successfully returned to the aircraft carrier Independence following the first flight on their mission to establish a no-fly zone for the Iraqi Air Force south of the 32d parallel, ITAR-TASS reports. According to the pilots, they saw no Iraqi aircraft in the patrol zone over the territory of southern Iraq.

Following the arrival of six Royal Air Force Tornado fighter-bombers, 10 French Mirage-2000 ground attack aircraft are being redeployed to Saudi Arabia next week. According to information from ITAR-TASS, the French airmen have been assigned a "policing" mission while their British and U.S. colleagues will carry out reconnaissance.

The past day has brought considerable clarity to Russia's position. A strongly worded Russian Federation Foreign Ministry memorandum was circulated at UN headquarters on 27 August. It unambiguously stated that "Russia will support all necessary measures against Iraq designed to ensure compliance with UN decisions on the postcrisis settlement in the Persian Gulf." Moscow has accused Baghdad of starting a war against its own people and of sabotaging the decisions of the world community.

In a conversation with IZVESTIYA's correspondent, a ranking Russian diplomat announced that our country will offer every kind of political support to the allied coalition, but will refrain from material involvement in Operation Southern Watch. "Washington, London, and Paris have emphatically asked us to support their action," he said. "If you like, it is an act of magnanimous partnership on our part."

The Foreign Ministry representative also confirmed a report that the evacuation from the Iraqi capital of the families of personnel working at Russian institutions has begun. All the children have been brought out together with 16 women who are escorting them. Some wives of staffers at Russian Federation missions have stayed behind with their husbands for the time being. "There is some nervousness," our interlocutor admitted. "We do not want to repeat the Kabul situation."

Grachev Says Ukraine Violating Yalta Agreement

LD3008063592 Moscow Radio Rossii Network in Russian 0600 GMT 30 Aug 92

[Text] Russian Defense Minister Pavel Grachev sent a telegram to Igor Kasatonov, commander of the Black Sea Fleet. The telegram stresses that the action of the Ukrainian Defense Ministry with regard to the Black Sea Fleet and Sevastopol is a unilateral violation of the Yalta agreement.

'Central Bloc' Proposes Moratorium in Abkhazia

OW2708175892 Moscow INTERFAX in English 1626 GMT 27 Aug 92

[Transmitted via KYODO]

[Text] The central bloc of parties and movements led by Vladimir Voronin stated on Thursday [27 August] that a

moratorium on all military activity on Abkhazian territory should be introduced with effect from 15:00 hours [1100 GMT] on August 27th until top level meetings have been held. In Voronin's opinion, it was ludicrous to wait until the meeting between Boris Yeltsin and Eduard Shevardnadze takes place on September 3rd.

The central bloc proposed a meeting between leaders from Georgia, Abkhazia, and the Confederation of North Caucasian Peoples to take place in Moscow on August 27th, 28th or 29th. The meeting would be attended by Boris Yeltsin.

Moscow 'Satisfied' With Karabakh Cease-Fire

LD2808172792 Moscow ITAR-TASS in English 1658 GMT 28 Aug 92

[By ITAR-TASS correspondent]

[Text] Moscow August 28 TASS—Moscow is satisfied with yesterday's Azeri-Armenian agreement on termination of combat operations in accordance with the CSCE Minsk group's appeal, said the Russian Foreign Ministry's representative.

The agreement reached with the assistance of the Kazakh president is expected to come into force on September 1, 1992.

It goes in line with the efforts the Russian Federation has long been taken together with other states in the interests of settlement of the Armenian-Azeri conflict around Nagorno-Karabakh.

At all forums and meetings, primarily those within the CSCE Minsk group framework, and in their direct contacts with the conflict participants, Russian representatives have been consistently calling for the refusal from the use of force, the immediate termination of bloodshed as an absolutely prime task and transition to the solution of all disputable issues only at the negotiations' table.

The Russian president has recently insistently called for this in his messages to the presidents of Azerbaijan and Armenia.

The Russian Foreign Ministry expressed the hope all sides to the Karabakh conflict will show high responsibility in the observation of the reached agreement in order to make the cease-fire an efficient and stable reality, said the Foreign Ministry representative.

Political Issues

Yeltsin Signs Decree on Troops With Tbilisi HQ

LD2808115692 Moscow Radio Moscow World Service in English 1100 GMT 28 Aug 92

[Text] Russia's President Boris Yeltsin has signed a decree on forming a group of Russia's troops in the Transcaucasus with the headquarters in Tbilisi, the capital of Georgia. Earlier he said Russia will act as a guarantor of the territorial integrity of that republic and called for peace talks with Abkhazia, which has proclaimed its independence from Georgia.

At the same time, a special commission for northern Caucasus has been formed under Russia's Security Council. This was done in response to the appeals of the leaders of the republics of northern Caucasus, which are becoming increasingly involved in the armed conflict between Georgia and Abkhazia. Russia's Minister of Justice Nikolay Fedorov said the commission is called upon to prevent ethnic conflicts in that explosive region.

Meanwhile, reports from Abkhazia say that Georgian troops are in the immediate vicinity of the city of Gudauta, where the government and the chairman of the Supreme Soviet of Abkhazia, Vladislav Ardzinba, are staying.

Moscow, Bashkortostan Hope for Understanding

OW2808192392 Moscow INTERFAX in English 1614 GMT 28 Aug 92

[Report by Andrey Pershin, Andrey Petrovsky, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—transmitted via KYODO]

[Text] Government delegations from the Russian Federation and Bashkortostan (a Russian Federation republic) continue work on an agreement on the delimitation of government organs and "have shown a great interest in arriving at a mutual understanding and finding compromises", Resident Representative of Bashkortostan in Moscow Abrar Yarlykapov said in an interview with "IF" [INTERFAX].

The second meeting of working groups was held in Moscow August 26th; the groups were created to prepare joint proposals on unresolved issues. Yarlykapov said "we have already reached a consensus in three or four areas", in particular on foreign trade, the environment, and the use of natural resources.

"Positive work" was also completed on matters concerning Bashkortostan legislation, ownership, and law enforcement bodies. Certain aspects concerning these areas were reserved for review by the Russian Parliament.

The working groups have been unable to find a compromise on the budget, relations of the Central Bank of Russia and the National Bank of Bashkortostan. Yarlykapov said "we will continue to try to find a solution to these problems".

The working groups will meet for the third time September 23rd in Ufa.

"IF" NOTE: The government delegations of the Russian Federation and Bashkortostan were created to solve disputes reflected in the Preamble to the Federative Treaty signed by the leaders of these republics March 31, 1992. The first session of the delegations was held August 11th.

Burbulis Foresees 'Hot' Autumn

LD3108145992 Moscow ITAR-TASS in English 1412 GMT 31 Aug 92

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow August 31 TASS—The government of Yegor Gaydar will remain in office this autumn, although the autumn promises to be very "hot" from the political point of view, according to Russian State Secretary Gennadiy Burbulis.

The chances of Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs, and of Vladimir Scherbakov, former first deputy premier in the last Soviet Government, are next to nothing, he told TASS on Monday [31 August]. The forecasts that they might replace Gaydar are "completely ungrounded," the state secretary stressed. There is no contra position in the government, "moral and professional unity is maintained in macroreforms and in reforms in various branches of industry", said Burbulis who was first deputy prime minister of the present-day government till last April.

The state secretary outlined two basic priorities which he believes the government should abide by. "Firstly, we need a mature industrial policy. We have to say that we possess a unique heritage which cannot be neglected—that is the national technological base. Although it was created on a military basis, we cannot ruin the resources and the national wealth invested into it only for the sake of changing the form of management", Burbulis said. The second priority is a "mature regional policy", according to the state secretary.

Burbulis believes political opponents of the government who plan to stage the "last and most decisive attack" this autumn are not strong enough to overthrow the government. "Our political opponenets exaggerate their abilities when they speak for the whole of the people", he said adding there is a big gap between the moods of the people and the opponents. The attitude of the majority of the Russian population "absolutely excludes a return to the past", he said. The people do not express their views only because they are too busy in solving everyday problems, according to Burbulis.

Grachev Said Involved in Coup Preparations

PM3108083192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Aug 92 p 2

[Unattributed report: "They Could Have Ruined Our Revolution! Brief Account of Some Chapters From Russian General Prosecutor's New Book"]

[Text] On 31 July last year Gorbachev, Yeltsin, and Nazarbayev met, without any outsiders present, in an atmosphere of profound secrecy in a room at the government dacha in Novo-Ogarevo near Moscow.

Naturally, they were talking about the fate of the country. What did they agree on? First, to sign the Union Treaty. Second, to remove Pavlov and replace him with Nazarbayev, who was present at the meeting. To scrap the Union ministries—60 or 70 of them at one go. Also to remove Yazov and Kryuchkov...

The three presidents had a sense of some unseen presence—just who exactly was first frankly admitted by Yeltsin. "I get the feeling," he stated, "that Kryuchkov can hear our every word..."

While recognizing that Kryuchkov had ears everywhere, all three decided that the KGB would be scared of bugging the conversations of the three most important politicians.

We do not know what KGB Chairman Kryuchkov thought of each of these outstanding figures at that time. But we do know that five days later, after waiting for Gorbachev to fly off to Foros, Kryuchkov called in his foreign intelligence agents Yegorov and Zhizhin and ordered them to draw up a strategic forecast on how the country's population would react to the imposition of a state of emergency.

The work on the forecast, which was done at a special KGB facility in the village of Mashkino near Moscow, also included Pavel Grachev, commander of the Airborne Troops. Two days later all three had concluded that the time had not yet come when the people would agree to anything...

Kryuchkov agreed with the strategic forecast, but expressed the tactical view that to wait any longer would be too late.

On 14 August, as witness Aleksey Yegorov from foreign intelligence later attested, Kryuchkov announced that Gorbachev had had a nervous breakdown and that a state of emergency would be introduced. Again in the village of Mashkino at the same KGB special facility and with the same Pavel Grachev [Footnote: currently Russian defense minister] a list of measures for the introduction of the state of emergency was drawn up, which became the basis for SCSE [State Committee for the State of Emergency] Resolution No. 1 that was on Kryuchkov's desk on the morning of 16 August.

At 1130 Kryuchkov received a visit from O. Baklanov, and the investigation shows that their 90-minute discussion gave impetus to the conspiracy. At 1400 KGB Deputy Chairman Gennadiy Ageyev received the order to form up a group of communications operatives to fly to Foros and cut off Gorbachev's communications.

At 1600 on 17 August Kryuchkov received guests at the secret and fashionable "ABTs" KGB installation. In the summerhouse, 100 meters away from the building, a round table was laid with a bottle of vodka, a bottle of whisky, and light refreshments.

Yazov, Pavlov, and Shenin drank the vodka, Kryuchkov and the others drank the whisky.

It is clear from the investigation that, to kick off the discussion, Pavlov was told that he would be sacked after the 20th. He announced that he was ready to resign immediately, but that the harvest situation was catastrophic. Kryuchkov said that Gorbachev did not believe the news about the grave situation that he was regularly reporting. Kryuchkov set out a plan of action—to send a delegation to see Gorbachev to get him to hand over power to a state of emergency committee. If Gorbachev refused, he would stay in the Crimea as a patient, and power would pass to Yanayev, which would then be ratified by a decision of the USSR Supreme Soviet session...

By then Yazov, Shenin, and Pavlov had finished their vodka and foreign intelligence agent Yegorov was sent for more. When he came back, they were already discussing who would go to see Gorbachev. Valeriy Boldin immediately agreed to go (in the role of Brutus, Yazov remarked). It was then agreed to inform Yanayev, Lukyanov, Pugo, and Bessmertnykh. Shenin had no doubt that Yanayev would be ready to replace Gorbachev but, in his opinion, Lukyanov would hesitate considerably. Moreover, Gorbachev had for some reason forbidden Lukyanov to make an appearance in Moscow before his return, and he had to be urgently summoned.

That evening everyone was still around the table—apart from Yazov, who left at 1815. In his car he said the enigmatic phrase: "I would have signed the treaty and gone on vacation. And everything would have been OK"...

Future SCSE member A. Tizyakov flew in to Moscow from Sverdlovsk at 0900 on 18 August. B. Pugo flew in from the Crimea at 1330. Lukyanov flew in from Valday that evening (at Yazov's orders two Mi-8S helicopters of the 269th Regiment's Special-Purpose Air Detachment were sent to pick him up). Pavlov recalled Vasiliy Starodubtsev from Tula. Kryuchkov contacted Bessmertnykh in Belorussia, where he was on vacation.

At 1535 Yanayev set off for the "Rublevo" Leisure Center to visit with friends. He was located there by radio first by Pavlov (at 1630) and then by Kryuchkov (at 1720). Yanayev promised both of them that he would be at the 2000 Kremlin conference on time. But even so he was late—he arrived at the Kremlin at 2030, and

drunk to boot. Lukyanov arrived at 2040. He was carrying the USSR Constitution and the Law on States of Emergency...

By then there was no turning back. The 2d Guards Motorized Rifle Division, the 4th Guards Tank Division, and the 106th (Tula) Airborne Assault Division were already preparing to enter Moscow, several Defense Ministry generals had already flown out to military district headquarters, groups of KGB agents had been sent to Estonia, Latvia, and Lithuania, KGB Deputy Chairman Lebedev had already received from Kryuchkov a list of people to be arrested, KGB Seventh Directorate Chief Rasshchepov was investigating the situation around Yeltsin's dacha, and Zhizhin, deputy chief of the First Main Directorate (KGB intelligence), was sitting down to compose Kryuchkov's television speech. By then the delegation had already returned from Foros, saying that Gorbachev had been isolated and that they had been "exposed" [zasvetilis].

Valentin Pavlov recounts:

"The returning comrades' report was brief. It was stated quite definitely that, while the president was recovering, either Yanayev or Lukyanov should assume responsibility for the president's duties...

"Yanayev was still trying to find out from the people who had come back from the Crimea just what had happened to Gorbachev, whether he really was sick, and why Lukyanov would not be acting president. But he was told: 'What's gotten into you? We're no doctors... You've been told—he's sick!' Then Yanayev said: 'So what's the explanation for my being acting president? Why me? Let Lukyanov do it...' It was obvious that Yanayev was uncertain about it.

"In response Lukyanov stated: 'Under the Constitution you must become acting president, not me. My job is to convene the USSR Supreme Soviet.' They started arguing among themselves, and the USSR Constitution and the law on the legal procedures for a state of emergency appeared from somewhere. They discussed the matter quite vigorously..."

The discussion participants later recalled that Lukyanov had finally asked: "What have you got? Give us the plan."

Dmitriy Yazov testifies:

"I told him: 'We have no plan, Anatoliy Ivanovich.' 'But why do you say that? We do have a plan,' Kryuchkov said. But I knew that there was no plan apart from the notes written down on Saturday at the 'ABTs.' I didn't consider this to be a plan at all, and I knew perfectly clearly that in actual fact we had no plan."

Valentin Pavlov testifies:

"After the report from the returned delegation all attention switched to Yanayev and Lukyanov. The latter asked for his name to be removed from the SCSE. He claimed to agree with everything and share its aims, but he had to chair the Supreme Soviet on this issue, and for work purposes his name should be removed for the time being... In general, he thought that it would be better for the Russian Supreme Soviet to be the first to break the USSR Constitution. It should make its presence felt—although it might be too late for the country..."

Gennadiy Yanayev testifies:

"When it was suggested that Lukyanov take part in the CSCE and join it, he refused, arguing that the SCSE decisions would be examined at the USSR Supreme Soviet, and—given his status as Supreme Soviet chairman—it would be better if he were not part of the SCSE. And I supported this view..."

After this Lukyanov went to his office and wrote out the text of his statement.

By 1600 on the next day, 19 August, not a single strike had been recorded throughout the country. "The first reaction was hopeful," Kryuchkov later recalled, "there was even some euphoria."

Experts Evaluate Defense Policy

OW3008124592 Moscow Central Television First Program and Orbita Networks in Russian 1845 GMT 26 Aug 92

[Interview with Petr Petrovich Tretyakov, chief editor of NEZAVISIMAYA GAZATA, and Sergey Aleksandrovich Kovalenov, deputy director of the European Institute of the Russian Federation's Academy of Science, by Sergey Lomakhin—live]

[Text] [Lomakhin] Let me introduce our guests. They are Petr Petrovich Tretyakov, chief editor of NEZAVISIMAYA GAZETA—I think everyone will recognize him—and Sergey Aleksandrovich Kovalenov, an expert on foreign policy and deputy director of the European Institute of the Russian Federation's Academy of Science; that is what it is called nowadays, right?

The essence of our meeting is a very simple one. I think that many of you may have read the lengthy article published on 19 August in NEZAVISIMAYA GAZETA under the headline "Thesis for a Report to the Soviet of Foreign Defense and Policy—a Strategy for Russia." The experts who wrote this report drew a very depressing picture which amounts to saying that we do not have anything to boast of in the way of foreign defense policy. Another conclusion: by most parameters, Russia now belongs to the category of medium powers. In Europe it is France, Britain, and Italy; in Asia it is India and Indonesia; and in America it is Brazil, Argentina, and Canada. Actually, I think that it is not too bad to have France, Italy, and Britain for neighbors, but we have slid still further from the superpower ranks.

The first question I would like to ask—remembering that all this was not printed for the average reader, but mainly

so our leaders, the decision-makers, got this information—do you have any reports that they did indeed think about it, make some decisions, or discuss these theses? Do you have such information?

[Tretyakov] Sergey Aleksandrovich and I have different sources of information about what goes on at the top. Our newspaper purposely published this article on 19 August, since we presumed there would be some kind of euphoria on the anniversary of the beginning of the putsch and its defeat, and that, as usual, there would be an excess of solemn and eulogistic terms. We decided to publish these theses, but they did not fit in [as heard] because regretfully I, for one, do not know where one can go today to read about the present concept of Russian foreign policy and defense policy. So, this is a preliminary, but expert stage of work on such a concept. I wanted to concentrate public opinion on this issue by publishing it on such a special date. As far as I know, these theses were circulated and are being read and studied within the power structures of our state. I know of no official reaction, but there were many telephone calls from our readers. We have a very large, well-educated reading audience, and the prevalent appraisal is that this work had been very thoroughly and realistically developed; it should be followed by contemplation and discussions, and there might be some letters with suggestions on this issue. How about you, Sergey Aleksandrovich?

[Kovalenov] I am more or less in the same position. I have not received any official reaction and do not know if it will come, but people do take an interest. Meanwhile, it is mainly specialists and people from abroad who deal with us, such as the diplomatic corps, and so on. I have heard no official reaction yet, but maybe it is too early.

[Lomakhin] What are the real, the most serious threats to the security of Russia that exist today?

[Kovalenov] There are a lot of these, but the main building block of the report states that today, the CIS, the former USSR, has not entered a period of disintegration of the empire or decolonization—all this exists—but, rather, a period of building of new states. Even Russia, or the Russian Federation, once existed within the present borders and with the same social and national population makeup, yet in many ways it is a new state. The rest of the CIS states are even newer. Such periods were always accompanied in history by a long succession of wars. We are trying to avoid this, but we must understand that we have entered a completely new historical period, and that the main goal of Russian foreign defense policy will be avoiding conflicts and wars on the territory of this country. This must be just a potential danger.

The second major threat that I think we do not recognize is what I would call the new isolation of Russia. We think that we are open to the whole world, that people want to come here, but if we carefully observe the parameters of our relations with foreign countries, we will see that these parameters indicate a negative balance in both diplomatic activity, and in the amount of attention paid to us, not to mention economic relations. These are pretty dangerous things, and television is tired of us and takes less interest. We are a smaller and less important country now and less feared, and this is good, but we must realize that we might be forgotten.

[Lomakhin] Dear colleagues, how do you think we can avoid the succession of fires now raging on Russia's borders, such as Karabakh, Georgia, and the Northern Caucasus? How can this be done?

[Tretyakov] I am not really a specialist on this, and can only judge from general political, politological, and journalistic positions, but I think that one of the main problems for Russia today [changes thought]—it is being discussed more now—is the fact that this huge country, in spite of our transformation from superpower to just a big power, which is not a bad thing.... [changes thought] There is the problem of borders, and this is a very acute problem. As for its solution, there are all kinds of shifts: let us have an open border, and the mass media starts telling us about metals being taken out, about drug addiction, and drugs travelling in both directions. It is not clear to me how an open border and the smuggling of some strategic or just valuable merchandise can be reconciled. One simply does not tally with the other. This border problem also must be solved conceptually, both for ourselves and for the perimeter of Russia.

The second, and most important issue—the border problem is included in this—is to prevent bloodshed in Russia itself. I think that the legitimacy of authority in Russia is much older than in other states of the former Union, and this is the reason why up to now, there has not been any big political bloodshed, and it is very important to keep the situation within these limits. I must say that Yeltsin has been performing fairly skillfully, fairly well in this sense. This is very important, because if any blood flows on Russian territory, all these dangers might come to pass very quickly, and the conflicts will simply spread spontaneously.

[Lomakhin] I have talked to many high-ranking border guards and they maintain that the position that the borders should be transferred to those of Russia and the former Union republics is wrong, and that the borders that existed in the former Soviet Union must be preserved—meaning the external borders. Should we preserve the Russian border troops, especially since many, including presidents of independent states, are asking for it, such as in the case of Tajikistan? This is the first question. The second question is: How does the West evaluate our ability to respond to challenges from other states, including the West? Is their evaluation of our power realistic, or do they underrate us now?

[Kovalenov] We do not have any special powers at our disposal now, but there is no apparent threat, either. Therefore, I think that the West has a fairly realistic

perception of our military potential, which is not great. It is obvious that the Armed Forces, except for some aviation units, are at a low level of combat preparedness. But this is not the main thing the West is worrying about. It is worrying about whether Russia will fall apart or not, and I think that this is the most important threat to Russian security. If this state starts falling apart, too, then the Lebanonization of all of the CIS is unavoidable. There will be all-out war, which does not mean that the Far East will fight Siberia. It is just that there will not be a single island of stability in this raging ocean. What is more, there will be no actual possibility to protect minorities. I think that while we discuss the Russian-speaking minority, we underrate a very simple thing. True, there are 28 million Russians beyond the borders of Russia, but the minorities number about 70 million all told, and are Ukrainians or Tajiks living abroad any worse than Russians? If we, the Russians, do not cooperate with others in the most rigorous protection of interests of all minorities, a massive internal immigration will begin. It will rupture Russia and the other republics, the sovereign states, and an unimaginable thing will begin. Therefore, let me add to what Petr Petrovich has said: An unconditional, rigorous, diplomatic, and even, when necessary, coercive protection of minorities, or to be more precise, repression and prevention of wholesale violation of human rights on the territory of the CIS.

[Tretyakov] There is a problem here. If we look at the conflict that is taking place in Georgia, which is actually a civil war on the territory of that state, then the question is whether Russia can attempt to solve this problem of protecting the minorities by force alone. I am not talking about who is right and who is wrong there. But can Russia do it now? Is it capable of it? And if it is, what will the consequences be? All of this is not being taken into consideration, and the value of these theses is not in some concrete positions postulated in them, but rather, in the effort to create a single concept on the basis of todays's reality—it is all very realistic, there is no propaganda, ideology or daydreams there. We try to offer some possible solutions for Russia on the basis of this reality. Until this concept is fully developed, until the people—the Russian citizens—understand what the government is guided by, every private citizen or petty official will be unable to solve the question of where to be in the event of this or that conflict. Today, everything is based on either emotions or propaganda, naturally fueled by various groups of publishers. Not a single concrete problem can be solved when there is general ambiguity. So I think that, meanwhile, the problem of the minorities cannot be sorted out, either.

[Lomakhin] Thank you. I think that these theses published in your newspaper do introduce some clarity. I address the viewers with a suggestion to thoroughly read these theses printed in the 19 August issue of NEZAVISIMAYA GAZETA newspaper.

Thank you for coming to our studio, and I hope that this talk has been both interesting and useful. Thank you.

Economic Issues

Gaydar Addresses Economic Forum in Moscow

On Privatization

LD2808165492 Moscow ITAR-TASS World Service in Russian 1558 GMT 28 Aug 92

[By ITAR-TASS correspondent]

[Text] Moscow, 28 Aug—"The deficit of savings necessary for the steady and normal financing of economic growth is the most serious of the long-term problems of Russia's development," Yegor Gaydar, acting Russian prime minister, said.

Speaking at the close of the World Congress of the International Economic Association taking place here, he pointed out that the solution to this task lies in how one can go over from growth based upon substantial taxes by the state to growth based upon the private savings of the population, their redistribution via market institutions and their direction towards highly-effective long-term projects. On this basis, it may be possible to bring into operation to a considerable extent the unused investment complex created in the former Soviet Union.

Touching upon the process of selling off shares and privatizing enterprises which has begun in Russia, Yegor Gaydar noted that this program contains forced compromises and rather contradictory concepts connected with the rights of labor collectives, directors, and mass popular privatization.

Nevertheless, Yegor Gaydar continued, judging from how the process of selling shares of enterprises got under way last week, some kind of balance of interests has been found. Today we don't have to use a stick to drive enterprises to sell off shares—the exact opposite process has begun. Now we are constantly being asked to lift restrictions, to expand the circle of economic subjects to which privatization procedures apply.

This is the result of the attempt to implement the scheme which the government deemed the most practical and which reflects best the interests of influential social groups, Gaydar stressed.

On Payment of External Debt

OW2808195992 Moscow INTERFAX in English 1928 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] "Russia is able to pay no more than $2 billion of its external debt this year", Acting Prime Minister Yegor Gaydar said in an INTERFAX interview after addressing participants in the World-Wide Congress of the International Economic Association, which closed today in Moscow.

Russia and the CIS countries were to have paid $9.8 billion of the former USSR's debts. As of July 27, Russia had paid approximately $1 billion.

Commenting on the ruble's sharp fall against the dollar, Mr. Gaydar said that "it is natural enough" and was a consequence of relaxation in the Central Bank's tight monetary policy over the last two months. He said the growth of the money supply consisted of "the same amount that was reflected in the change of the exchange rate".

Forecasting future movement in the ruble's rate, the acting prime minister said everything depends on how restrictive monetary policy will be. "The natural result of relaxed monetary policy," he emphasized, "is currently not the revival of monetary activity but simply the fall of the ruble's rate and no more." Responding to an INTERFAX correspondent's question on whether the government would set restrictions on the activity of foreign investors (who intend to participate in Russian privatisation) as a result of the drastic fall of the ruble against the dollar, the acting prime minister said "no, there will not be any".

Addresses Closing Session

LD2808203192 Moscow Radio Rossii Network in Russian 1800 GMT 28 Aug 92

[Text] The 10th World Economic Congress ended in Moscow on 28 August. At its closing session, acting government head Yegor Gaydar delivered an analysis of how the economic reforms are progressing. The main problem in the post-socialist economy, which all the Eastern European countries are encountering, he said, is the lack of means to finance structural reform, meaning primarily the absence of personal savings. In such conditions, the state is forced to either put the economy on a starvation footing or reconcile itself to hyperinflation and gradual devaluation of the national currency—with all the unpleasant consequences that ensue. It would seem that despite all the government's efforts, this is precisely what is happening. This is what Yegor Gaydar said about yesterday's sharp drop in the exchange rate to 205 rubles per dollar:

[Begin Gaydar recording] It is quite natural, unfortunately. The laws of economics work like this everywhere. It is a consequence of the Central Bank softening its monetary policy over the past two months, of money in circulation increasing by approximately the same degree as the exchange rate has altered. Under pressure because of the debt crisis, among other reasons, the Central Bank has taken a whole range of measures that have actually helped to weaken the ruble. And this was dramatically reflected in yesterday's fall in the ruble exchange rate. The natural result of slackening monetary policy is now not an upswing in financial activity but a weaker ruble and nothing else. [end recording]

But there are other issues of more immediate importance to all of us. What is going to happen to food prices this winter? How much is bread going to cost?

[Begin Gaydar recording] It will of course cost more than it does now. It is not difficult to work that out from the grain procurement price this year. What we are trying to do is prevent sharp fluctuations in food prices. [end recording]

The acting prime minister could not give us an exact price for bread. Neither is our expert, Vladimir Gerasimov, editor of the INTERFAX agricultural bulletin, willing to do that. But he does make some predictions. If things go well, there is every chance of Russia's state reserves receiving as much grain as they did last year. And some more could be bought on the open market.

Judging by the signs, trade at the grain bourses is picking up. And we should note that the bourse prices are very slighly higher than state ones. As far as imports are concerned, Russia could quite realistically buy the grain that it needs on external markets, INTERFAX was told by Oleg Klimov, president of the Eksportkhleb grain export joint stock company. There should be enough bread in Russia but, Vladimir Gerasimov reminds us, it will be expensive, which will cause a whole string of financial problems. It has already been announced that the government will be forced to temporarily subsidize bread to stop its price from jumping to 30-40 rubles.

[Moscow INTERFAX in English at 1928 GMT on 28 August transmits the following report via KYODO:

["Acting Russian Cabinet Chairman Yegor Gaydar said the cabinet 'was generally able' to fulfill its objective which, in his words 'comprised not of immediately achieving note worthy microeconomic and financial balance and fully stop the rise in prices, but primarily to avoid the process of hyper-inflation'.

["Addressing the closing of the World-Wide Congress of the International Economic Association, Mr. Gaydar said the relatively young process of auctioning off state property in Russia had 'managed to find a balance between the interests of various professionals and social groups among the population'. He admitted that the chosen model for privatising state property was 'not irreproachable'. In his opinion, however, it is the most appropriate in current Russian conditions.

["Mr. Gaydar called the reserves deficit the primary long-term problem for Russia and all countries undergoing post-communist economic reforms. Such reserves, he said are necessary for 'normal financing in order to establish economic growth'."]

Gaydar, Bunnich on Weakening Ruble Exchange Rate

LD2808181792 Moscow Russian Television Network in Russian 1600 GMT 28 Aug 92

[Report over video by correspondent A. Pishchayev, including recorded interview with acting Russian Premier Yegor Gaydar and Pavel Bunich, member of the Russian Supreme Soviet; from the "Vesti" newscast presented by Vladimir Vlyarkovskiy]

[Excerpt] The Russian ruble, released on 1 July to float freely, as the experts say, suffered a shipwreck yesterday and gave rise, as you already know, to universal alarm.

[Pishchayev] Yesterday, at trading on the Moscow Inter-Bank Currency Exchange, the dollar exchange rate reached a record level—205 rubles. What is the reason?

[Gaydar] Under pressure which, among other reasons, formed in connection with the non-payments crisis, the Central Bank undertook a whole range of movements which objectively assisted its weakening. This was dramatically reflected in yesterday's fall in the ruble exchange rate, because at present a natural result of the weakening of monetary policy is not the stimulation of monetary activity, but rather simply a fall in the ruble exchange rate, nothing more.

[Pishchayev] What will happen next? It will increase, will it not?

[Gaydar] Everything will depend on how restrictive monetary policy is.

[Bunich] I do not think that this is a record mark. I think that the record is still ahead. When we get to the point where our ruble prices start to fall for the same basket of items, then it will be really stable. But that is not for a while. Then the ruble-dollar correlations will begin to improve.

[Vlyarkovskiy] The Russian Central Bank leadership is holding a series of urgent sittings in an attempt to find an explanation for the sharp drop in the value of the ruble. It is possible that the Central Bank will turn its back on the floating ruble introduced on 1 July and return to a fixed exchange rate. [passage omitted: The fall of the exchange rate to 205 rubles per dollar was a complete surprise to experts]

'Enormous Drop' in Ruble Exchange Rate Reported

LD2808224792 Moscow ITAR-TASS in English 1540 GMT 28 Aug 92

[By BUSINESS-TASS correspondent Vladimir Mikheyev]

[Text] Moscow August 28 TASS—The latest tenders at the Moscow Interbank Currency Exchange witnessed an enormous drop of the rouble exchange rate, which finally amounted to 205 roubles for one U.S. dollar.

Forecasts of many experts, who hoped for a gradual and slow decrease of the rouble exchange rate, were refuted. Still, predictions of some specialists, who back in spring said it will be this way, came true.

For instance, Chairman of the Moscow Goods Exchange's Exchange Committee Yuriy Milyukov said in April the rouble exchange rate will be 250-300 roubles for one U.S. dollar by the end of this summer.

The forecast of the AK and M Joint Stock Society under the fund for support of privatization and development of the financial market made on the eve of yesterday's tenders that the dollar exchange rate will be somewhat about 170 roubles appeared to be incorrect. Today the AK and M said by September 1 the dollar will cost 206.6 roubles.

Russian experts explain the sharp rouble drop with an increase of the primary demand for currency means (it was 70.78 million U.S. dollars on August 27 at the Moscow Interbank Currency Exchange).

The mounting desire of Russian businessmen to exchange their roubles to the U.S. currency is explained by experts with their striving to protect their money from inflation and possible governmental experiments.

"Yesterday we found ourselves in a situation when the currency supply was somewhat five million U.S. dollars, and the demand was approximately 50 millions," said Acting Chairman of the Russian Central Bank Viktor Gerashchenko, commenting on a possible reason for the sharp rouble drop at Thursday's tenders at the Moscow Interbank Currency Exchange.

In addition, this situation, in his opinion, reflects "the growth of wealth of some successful enterprises, including banks".

Central Bank To Maintain Unified Ruble Rate

OW2808194092 Moscow INTERFAX in English 1640 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] The Central Bank of Russia (CBR) has no intention of refusing to use the unified rate of the ruble in banking operations, CBR Deputy Chairman Dmitriy Tulin said in an INTERFAX interview.

According to Tulin, the bank's administration is not discussing the option which existed in the first half of the year, when the Bank of Russia established its rate of exchange for the ruble against the dollar independently from trading on the Moscow Interbank Currency Exchange (MICE).

Mr. Tulin did not exclude the possibility of major changes in the currency regulation system and establishment of the ruble to dollar exchange rate in the future. He emphasized, however, that only "tactical questions" are currently under discussion.

One of them, Mr. Tulin said, is the question of to what extent government hard currency reserves can be used to support the value of the ruble on the currency exchange. "The CBR does not currently have a special hard-currency fund for this purpose; it did have this fund during the first half of the year when all exporting enterprises were required to pay 10% of their hard-currency earnings into it. A difficult decision thus faces the Central Bank and Finance Ministry—whether to put

this money towards the purchase of industrial goods and medicines or to support the ruble", the CBR deputy chairman said.

He expressed regret that the Central Bank does not have the necessary $1 billion to straighten the wavering course of the ruble on MICE.

Mr. Tulin said that various options are under discussion today for increasing the supply of hard currency on the internal market. It is particularly important, in the deputy chair's opinion, to create an effective system of currency control which would provide full inspection of export enterprises.

"We will try to improve the system of bank transfers of hard currency earnings so that export enterprises will receive their ruble equivalent more quickly. This will simultaneously strengthen the control system of collecting hard currency earnings", Mr. Tulin said.

Responding to a question about reasons for the ruble's sharp fall on MICE trading, when 205 rubles were traded to the dollar, Mr. Tulin suggested that the fall was caused by seasonal factors connected with the circulation of trade capital which goes to the purchase of imported goods. "It is entirely possible that this is an incidental slip. Only two weeks ago the Central Bank had to buy $17 million in order to smooth the wavering course of the ruble." Mr. Tulin said.

Inflationary Expectations Blamed for Ruble Fall

MK2808154092 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 28 Aug 92 p 1

[Vladimir Korostelev report: "Panic on the Currency Exchange—Dollar Rate Up by 29 Points Overnight"]

[Text] All the government's assurances that the dollar will have stabilized by the fall, and that it will be equivalent to 80 rubles [R], have begun to look like a joke. The time of major shocks is clearly not yet over. The correlation of 1:176 upset a lot of people, but yesterday a new rate was officially announced—$1 for R205!

We asked Aleksey Mamontov, chief of the Currency Market Department at the Moscow Interbank Currency Exchange], to comment on the situation.

"Over the past month, trade on the Moscow currency exchange has been going on with a balanced level of supply and demand. The situation was controllable and predictable. However, recent measures by the government and the Central Bank of Russia caused such a storm of inflationary expectations that all our proposals for a smooth rise in the dollar rate were immediately torpedoed. Now it is possible to talk of real panic in currency trading. The Central Bank of Russia leadership provoked this panic by declaring a review of currency and finance policy. Worst of all, the said declaration reeks of an abandonment of the effort to stabilize the ruble. [no end quotes, as published]

Those in possession of hard currency have been declining to sell it, so it is clear to everyone that tomorrow's rate will be even higher. But consumers are ready to buy up currency at any rate! Today, before the start of trading, demand exceeded supply several times over. Efforts by the Central Bank of Russia to somehow soften the blow to the ruble are in vain. The best we can hope for in the immediate future is less panic in buying and selling, but on no account can we expect the situation to stabilize.

The Gaydar government is surrendering one position after another. Yesterday, to all appearances, the last bastion of monetarism fell. The Central Bank's new leadership has, to all intents and purposes, rejected the stabilization of the ruble and embarked on the tried and tested method of printing money. Rubles will become more plentiful, and goods even more scarce. But the dollar will still be the dollar. Everything is just as it was a year ago. So what have we been suffering for?

Gaydar Signs Decree on Material Provision

LD2908170192 Moscow Russian Television Network in Russian 1600 GMT 29 Aug 92

[From the "Vesti" newscast]

[Text] Yegor Gaydar has signed a number of government decrees. Among them is one whereby all forms of state provision of material and technical resources and their central distribution are abolished beginning in 1993. The state will allocate its orders by means of auctions, competitions, and tenders. Raw and other materials for the fulfilment of the orders will be sought and acquired by enterprises independently. The profession of supplier, so honorable in former times, looks set to become still more so, and no doubt also well paid.

Minister Says Currency Problems Not Long-Term

LD3008074792 Moscow Mayak Radio Network in Russian 0630 GMT 30 Aug 92

[Excerpt] This week's developments on the Russian hard currency market have caused concern among foreign experts. As you know, the exchange rate of the ruble against the dollar has dropped sharply over the last few days and is now as low as 205 rubles per $1.

A meeting of deputy finance ministers of the seven industrially developed countries of the West was held in Paris, to which Petr Aven, Russia's minister of foreign economic relations, was invited. Our Paris correspondent asked for his opinion as to what has been happening to the Russian currency. The minister thinks it could be a phenomenon of a purely speculative nature, without any tendency to become long-term. He said it is too early to draw such a conclusion just from the dealings on the hard currency exchange and that he himself would not jump to such a conclusion at present. However, the situation could also turn out to be more serious. [passage omitted]

Moscow Urges Postponing Financing External Debt

OW2808213492 Moscow INTERFAX in English 1929 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] Vice Premier Aleksandr Shokhin said the "only resolution" of Moscow's external trade problems would be the West's agreement that payments be postponed and new credits be granted for the refinancing of the external debt. During a meeting with Japanese journalists Friday [28 August] Shokhin also said that Russia is able to pay no more than $2.5 billion annually "without damage" to the economy.

Mr. Shokhin said the foreign debt of the former USSR amounts to "about $70 billion". He emphasized that this figure does not include interest on the debt or credits received in the beginning of 1992.

The vice premier said that Russia's monthly expenditures currently do not exceed $200 million.

He also warned that consultations to be held in September with creditors about the postponement must be viewed as negotiations on postponing Russia's foreign debt. Shokhin explained that the preceding postponement agreement (4 December, 1991) was made in the name of the USSR (Russia's share of the Soviet debt amounts to about 61%).

According to the vice premier, Russia has already signed agreements with Belarus, Turkmenistan and Tajikistan by which these republics leave their share of Soviet assets and debts (4.8, 0.68 and 0.85 respectively) to Russia. In September, Shokhin noted, the external debt of the Soviet Union could either be concentrated in the hands of Russia or divided "among several republics". Moldova and Armenia are currently "basically ready" to give their shares to Russia, said the vice premier.

If Russia accepts for itself responsibility for the entire external debt of the USSR, said Shokhin, the government intends to form a special state financial company which will take on all functions of servicing the state debt. A special department of Vnesheconombank is currently responsible for servicing the state debt.

Concerning relations with the International Monetary Fund, the vice premier said that the Russian Government "is not yet using" the $1 billion line of credit opened by the IMF as part of the Western aid package of $24 billion. He said that in accordance with the agreement made between Russia and the IMF the question of the second part of the credits will be resolved in October, and Russia expects to receive the stabilization credit towards the end of 1992.

Economist Comments on IMF Assistance

LD3008203492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 30 Aug 92

[Comments by Yevgeniy Yasin, director of the Institute of Experts of the Russian Union of Industrialists and Entrepreneurs—from the "Itogi" program]

[Text] Had a payments crisis not arisen on such a scale, it would have been possible to fulfill the agreement with the IMF. But today the disparity between wholesale and retail prices has become an established fact, which means we will be unable to lower wholesale prices, and so we will have to hike retail prices. This is a factor of inflation that demands additional money. The main thing, I reckon, is to maintain the corresponding proportions. If our policy is reasonable and well considered, then I think it will meet with the understanding of IMF officials.

It is another matter whether there will be catastrophic consequences for our economy if the IMF refuses us assistance, so to speak. My own personal view is that we should ourselves choose the moment when to make use of that assistance. I personally think that the time has not yet come to make effective use of that assistance. We have time enough for that.

IMF Concerns Over Economic Reforms Examined

LD3008210692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 30 Aug 92

[Video report by Ashot Nasibov, including interviews in offices with Jean Foglizzo, IMF representative in Moscow; Viktor Gerashchenko, acting chairman of Russian Central Bank; and Aleksandr Shokhin, deputy chairman of Russian Government—from the "Itogi" program]

[Text] [Announcer Yevgeniy Kiselev] An IMF delegation was in Moscow this week to hold talks with senior figures in the Russian Government and Central Bank. Although it has not been stated officially, many observers believe that the IMF is concerned at recent discrepancies emerging between Gerashchenko's and Gaydar's approaches to the main political and financial issues in Russia. Ashot Nasibov reports more details on this.

[Nasibov] On 27 August ITAR-TASS carried two directly conflicting statements on the IMF's view of the situation in Russia. This is what the Japanese business newspaper NIHON KEIZAI writes: At the upcoming session of its governing bodies in September, the IMF intends to warn Russia that it is not implementing the economic reforms on which financial aid is initially dependent. The other report said that an official IMF spokesman, meaning that same delegation, led by Richard Erb, has approved the Russian Government's moves to carry the country over to a free-market economy. Which report is true? For clarification, I asked the permanent representative of the IMF in Moscow.

Have there been breaches by Russia of the agreement with the IMF, in particular of the clauses on credits for state sector enterprises or any others?

[Foglizzo] We can't talk of such breaches, because there have not been any, and we hope there won't be any.

[Nasibov] Nonetheless, there are increasing claims in both our and the foreign press that Russia is drifting away from the reforms.

[Gerashchenko] Economists should constantly adjust their decisions and actions in the light of what is happening in reality.

[Shokhin] The most important thing is to prevent the type of adjustment that can lead to a change of direction. So, I can declare our readiness to make adjustments, but at the same time we declare our commitment to the previously chosen policy of economic reform.

[Foglizzo] We are not defining how every ruble has to be used, including how every ruble in credits has to be spent. All we want is that at the end of the year the figures correspond to our preliminary agreement and ... [sentence incomplete as heard]

[Nasibov] The main areas of disagreement between the Central Bank and the government are the writing off of enterprises' accumulated debts to each other—the bank went ahead with this despite government objections—and the looming rise in fuel and other prices. The IMF's advice is to cut credits to the state sector. Otherwise the country will go bankrupt. But at the same time if we stop paying out of the state budget, then nine out of 10 factories will close. Nobody can afford such social consequences. What is needed is a golden mean between the two.

Can we speak of, say, not so much changes but adjustments to the recommendations that the IMF is giving us?

[Gerashchenko] You know, the IMF's principal recommendations are linked, quite naturally, to our desire and its advice to stop the inflation we have in this country. Our view is that anti-inflationary measures should contain a significant policy element aimed at preventing an unnecessary fall in production.

[Nasibov] Aleksandr Nikolayevich, how true are the claims that the government, while outwardly stating its commitment to the IMF's recipes, is in fact making its own adjustments in the opposite direction, such as, say, raising state sector employees' wages, raising food procurement prices, etc?

[Shokhin] For a long time we tried to hold these prices down to about 8-10,000 rubles per tonne, but high inflation and farmers' expectations of increased fuel and power prices had their effect and prices started climbing. This could not fail to spark off another burst of inflation, although it could also have been connected with the solution to the insolvency crisis. What is important here is to avoid crossing over the line that separates us from hyperinflation. So far we have managed to do this, although it is far from easy and not a purely economic but also a political problem.

[Nasibov] All this puts the IMF in a somewhat ambiguous position. It has been forced to take an outwardly favorable line as it monitors what is happening in our country. To call off its policy of cooperation with Russia would mean the collapse of the IMF's biggest-ever aid project and consequent loss of prestige. Ashot Nasibov, Moscow, especially for Itogi.

Shokhin To Unfreeze Hard Currency Accounts

OW2808213292 Moscow INTERFAX in English 1930 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] Russian Vice-Premier Aleksandr Shokhin has promised that Vneshekonombank hard currency accounts held by the USSR Copyright Agency will be unfreezed within a month, IF learned from the Deputy General Director of the Russian Presidential Intellectual Property Agency (RIPA), Georgiy Ter-Gazarians. RIPA, the legal successor of the USSR Copyright Agency, (formerly the All-Union Copyright Agency), was formed after a decree by the Russian president in July this year.

RIPA is unable to function without access to the hard currency accounts which, at the end of December last year, amounted to over 31 mn. [million] convertible rubles ($18.2 mn.). Its functions include receiving, distributing, and paying royalties to home-based and foreign-based authors for the use of their works. Ter-Gazarians said that it would be a mistake to view hard currency accounts held by RIPA as "budget" accounts. "In actual fact, they are one collective account held by authors from which hard currency must be transferred to their personal accounts by entering and processing of documents relating to the account," he continued.

He also said that Russia had suffered losses because many foreign copyright organisations had stopped transferring authors' hard currency royalties to Vneshekonombank.

Trade Unions Protest Possible Energy Price Rise

LD2808214892 Moscow ITAR-TASS in English 1508 GMT 28 Aug 92

[By ITAR-TASS correspondent Vladimir Yegorov]

[Text] Moscow August 28 TASS—Deputy chairman of the Federation of Russian Independent Trade Unions (RFTU) Vasiliy Romanov made a statement on Friday [28 August] addressed to Russian Acting Prime Minister Yegor Gaydar, a coordinator of the Russian Tripartite Commission for Regulating Socio-Trade Relations Gennadiy Burbulis and other members of the Russian Government saying that the RFTU considers it inadmissible

to take a decision on liberalisation of energy resources prices without taking preliminary measures for social protection.

Romanov said that in case a resolution on the increase of energy prices is adopted, it will be "another violation by the government" of a general agreement between the Cabinet of Ministers, the Russian Trade Union Associations and entrepreneurs, which envisaged continuation of state control over prices and tariffs for a certain number of industrial and technical products, energy carriers, consumer goods and services alongside with measures for the social protection of the unemployed population.

Government Denies Possible Energy Price Rises

State Committee

OW2808151292 Moscow INTERFAX in English 1350 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] No decision has been taken concerning price-rise on gasoline beginning November 1992, the Russian Economics Ministry's State Committee for Prices informed IF [INTERFAX]. One of this committee's high-ranking officials said that the committee is working on "various variants of price-rise on oil products, but none of them has been accepted as final. [no closing quotation marks as received]

Earlier, some of the media reported that beginning November 1, the price of 1 liter of A-76 gasoline will rise from 6.80 to 28 roubles, and that of AI-93 gasoline—from 7.80 to 37 roubles.

Deputy Minister

LD2908133692 Moscow ITAR-TASS in English 2041 GMT 28 Aug 92

[By ITAR-TASS]

[Text] Moscow August 29 TASS—First Deputy Russian Minister of Energy and Electric Power Engineering Grushevenko denied rumours alleging that energy prices in Russia would sharply go up. "Sharp increase of fuel prices is out of the question," he told TASS on Friday [28 August].

"We are simply changing a system of price regulation. There are grounds to believe that there will be no sharp increase of prices as market mechanisms are to set at work. The cost of each product should correspond to its market value and meet market demands in all parametres," Grushevenko said.

Central Bank Proposes Republics Figure Debts

OW2808214592 Moscow INTERFAX in English 1929 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] The Central Bank of Russia has proposed that the national banks of the former Soviet republics calculate the amounts owed to state enterprises and organisations. This matter has been discussed several times at conferences held by the republics' banks, but the Central Bank's previous directorship declined to carry out such a calculation, referring to the inevitable increase in credit emission.

According to information received by IF [INTERFAX], Russian enterprises owed their partners from other republics a total of approximately 300 bn. [billion] rubles by July 1st, 1992, and were owed 200 bn. rubles by these same partners.

The Central Bank informed IF that the republics do not agree to its proposal, then the Bank of Russia would authorise commercial banks to deal with the matter.

Yeltsin: Monthly Salaries Increased to R5,600

LD2908213792 Moscow Radio Moscow World Service in English 2100 GMT 29 Aug 92

[Text] Russian President Boris Yeltsin says the average monthly wages have grown in this country from 300 to 5,600 rubles [R]. He says the growth of the people's wages and salaries cushions the adverse effects of the price growth during the introduction of free market relations. Addressing a consultative meeting of Russian architects and building constructors, the president said some sections of the Russian labor masses say construction workers were earning 10 to 15 thousand rubles a month.

Executive System Adjusted to Market Economy

OW2808212792 Moscow INTERFAX in English 1933 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] A meeting of the commission on improvement of state management structures was held in Moscow Friday [28 August]. It was chaired by first deputy chairman of the Russian Government Vladimir Shumeyko. A draft document prepared for the meeting suggests setting up a three-tier system of executive power: 1. Ministry. 2. State Committee. 3. Committees, Federal Agencies, etc. The Russian Government will include only vice-premiers and heads of ministries and departments.

In an interview with IF [INTERFAX] Vladimir Shumeyko noted that such structure is the most suitable for a market economy. "In such conditions the top executive power will be ruling, not giving orders", he said.

According to him, for that purpose it is also proposed to facilitate and reduce executive structures.

After being elaborated by the government the final document will be submitted to Russian President Boris Yeltsin.

Moscow Mayor Tells Yeltsin of Rebuilding Plan

OW2908142692 Moscow INTERFAX in English 1206 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] Moscow's Mayor, Yuriy Luzhkov, told Russian President Boris Yeltsin during the latter's visit to the Town Planning Museum today that the Moscow administration would need some 110 bn [billion] rubles (in terms of 1992 prices) to carry out its plan to rebuild the central part of the capital (the area within the Garden Ring).

In 1993 alone, Luzhkov said, about 20 bn rubles would have to be spent on the project, but he stressed that the city administration would not ask for any subsidies from the federal budget. "The city has no such money, of course," he said, "but our business people do, and they sincerely wish to help Moscow and are willing to spend large amounts of money on shares we are going to sell them." Yeltsin warmly approved of the reconstruction plan, adding that the Russian Government would finance the restoration of buildings having national significance, such as the Bolshoi Theatre. He expressed support for the suggestion of Moscow's Vice-Premier Vladimir Resin that the government and the Central Bank of Russia give the Moscow Construction Committee credits on favorable terms.

The president particularly liked the fact that architects had been giving a free hand in the reconstruction work. "Architects won't depend on the builders' abilities any more," he said. "It'll be the other way round now—the builders will have to do what's been designed. I've been speaking about this for a long time but nobody's been able to put it into practice up to now."

Paucity, Quality of Economic Data Bemoaned

PM2808133192 Moscow IZVESTIYA in Russian 27 Aug 92 Morning Edition pp 1, 2

[Irina Demchenko article: "You Cannot Run the Country Without Reliable Information"]

[Text] On the second day of the coup, 20 August 1991, Boris Yelstin signed a decree which envisaged the drafting and introduction—as of 1 January 1993—of economic statistical reporting in line with international methodology. However, in the program drafted by the Russian State Committee for Statistics and examined by the Supreme Soviet, such an approach is actually planned only in 1994-1995. P. Guzhvin, leader of the Russian Federation State Committee for Statistics, has told his colleagues that meanwhile they are to assimilate "gradually" the generally accepted world methodology.

According to Yeltsin, he has seven independent sources for obtaining information on the situation in the state. The president in no way evaluated their quality or reliability, but the vice president did recently observe that the data that he receives from various sources is contradictory and cannot be used for comparison.

At least one of these sources is a traditional one—namely statistics. The quality of management decisions and the adequacy of the assessment of their effectiveness depend to a large extent on how accurate and objective a picture is formed on the basis of the statistical information.

Professional economists have as a rule cursed Soviet statistics for their bias, political expediency, unreliability, and tardiness. While so doing many experts who are independent of official circles have suspected that, unlike them, the state leaders themselves possess high-quality objective information which they conceal in order to make it easier to pretend that promises have been fulfilled.

This version of events would seem to have been pretty widespread, since two high-ranking leaders and one worker in the apparatus of the present Russian Government, who were young and very independent economists at the time of Ryzhkov and Pavlov, have—without any collusion—nostalgically recalled it in the context of their current complaints about the statistics. When they themselves became the government, they discovered that there was no exclusive information for the leadership at all if you disregard, of course, certain private data which are concealed for reasons of state security. A deputy finance minister who, like the majority of people who spoke to me on this topic, asked to remain anonymous, said: "We realized with a sense of anguish that the country's leadership has the same quality of statistics as its opponents."

The recent changes—the scrapping of the USSR State Committee for Statistics, the departure of its most skilled workers and most importantly of its methologists to other structures, the takeover of its building and equipment by the Russian State Committee for Statistics, and the attempt to make the CIS Statistics Committee a commercial organization—have led to the loss of a large mass of information which cannot be restored. The democratization of power in Russia has, in the opinion of absolutely all specialists (including government apparatus staffers), paradoxically as it may seem, resulted in even greater isolation of ministries and departments from one another.

The Central Bank of Russia, for example, as the sole possessor of all banking information, has now "shut it off" from not just the public at large but from the Russian State Committee for Statistics, too. The indicators for the implementation of the state budget are the prerogative of the Finance Ministry, and the statistical agencies can only obtain them via the government.

Therefore you notably got, right up to the end of April, new figures and percentages for the budget deficit being cited each time by top government leaders on the basis of the results of the first quarter—there were no legitimate, officially published data.

There has been publication of information on the issuing of credit and bank notes, of the consolidated balances of commercial banks and the Central Bank itself, or any other information enabling you to judge the progress of reform or assess whether financial stabilization has occurred in the country, whether the tough financial policy implemented in the first six weeks of the year was successful, or how seriously the economy was damaged by the deviation from that course in March-April. The departments' isolation from one another is aggravated by the fact that the Russian State Committee for Statistics, like the Central Bank of Russia, is accountable to parliament rather than the executive branch, although the thrust and basic content of its activity is to form a basis for managerial decisionmaking.

A huge stream—hundreds of items—of diverse material, ranging from consolidated reports to information flashes, regular bulletins, and topic-related selections devoted to the study of some problem or region, is channeled into parliament almost every day by the Russian Federation State Committee for Statistics. Clearly this does not mean that all the information lands directly on state leaders' desks. The statistical reports are worked on in the leaders' apparatuses (where, as a rule, there is a special data-processing service) and are often used merely as raw material for different kinds of analytical material.

The distinctive feature of this stage is that sometimes different conclusions can be drawn on the basis of the same data. Mostly the so-called information flashes—numerical data covering a single sheet of paper devoted to a socioeconomic problem: the standard of living of disadvantaged strata of the population, the state of capital construction, the progress of harvesting, or research work into the position of the unemployed or refugees arriving in Russia—go directly to the leaders. Boris Yeltsin is the only person for whom the Russian Committee for State Statistics produces compilations of its work, ranging from a 100-page monthly report to just one or two pages reflecting the basic trends of prevailing processes. It is thought that the president does not have time for extensive reading. In the opinion of my interlocutors, of the top state leaders only Gaydar gives the impression of someone who works not just with the prepared statistics, but the "raw" data, too.

Research or comparative topic-related selections are compiled on the instruction of any state leader. For example, a package of material was prepared for Yeltsin's visit to Japan which made it possible to compare the basic socioeconomic parameters of our states and indicate areas of potential cooperation. Incidentally, it is not just the top officials of the organs of power, but also members of the Supreme Soviet, which is in charge of the State Committee for Statistics, who are entitled to order such information free of charge. True, the material for parliamentarians is prepared, to put it as mildly as possible, from a smaller data base. Rutskoy receives more detailed daily information on the agrarian sector than other state leaders, and the same applies to ministers in terms of their own areas of responsibility.

This is the technical aspect of the matter, as it were. It has become established over the years and does not in principle attract special censure: Statistical reports for traditional areas in any form—whether consolidated or in terms of an indicator required from the data available to the banks—is accessible and potentially open to everyone; but for the state leaders and their officials it is, in addition, free. As in previous years, the main problem remains the quality of the information—in the broadest sense of the term and with all the ensuing consequences.

Virtually all the users of statistical reports without exception, whether they work in official structures or independent research organizations, remark that the information supplied by the Russian State Committee for Statistics still contains factual errors, even though they are involuntary ones. They are sometimes so patent that the State Committee for Statistics is itself obliged to acknowldge them on the spot and concede that something pretty absurd has occurred.

For example, when it published data in a report for 1991 showing a fall in output compared with 1990 of only 2.2 percent—and this during a period of deep financial crisis, the breakup of the Union, the collapse of CEMA, the destruction of the system of centralized deliveries, the weakening of economic ties among enterprises, and political instabiility in a number of regions after the coup and other events of last year—the Russian State Committee for Statistics supplied a footnote here that read: "But given the structural changes that have occurred in industry, this indicator stands at 92 percent." Why 92 percent, what is the basis for this alternative figure—and it is still unknown what kind of hint lies behind the telling phrase "given the structural changes." Often the consolidated figures in the handbooks issued by the Russian State Committee for Statistics do not coincide with the sum of the constituent parts, effects do not follow from causes, while absolute values are at variance with the percentage figures.

The second problem, one remarked upon by all users of the statistical information, concerns methodological errors. They produce results that are sometimes lamentable, sometimes ludicrous. For example, according to our statistics, 90 percent of the population lives below the poverty line. These officially published data are exploited by various opposition parties and organizations to propagate an antireformist course but it does not have a great impact because, from the viewpoint of common sense, it is quite impossible to imagine such a huge majority of the population quietly dying from hunger without even attempting to put up resistance.

Specialists maintain that the indicators of the population's standard of living are based on a survey of the family budgets of mainly disadvantaged families, and that is why they yield such implausible results.

Our statistical information cannot be compared with general world statistical information, since we use a data collection and processing system that is obsolete and inapplicable in conditions of a decentralized economy, which, incidentally, has created great problems for Russia's joining the IMF. The market sector's share is not taken into account in trade, construction, or industrial and agricultural output. The State Committee for Statistics can tell you how many private farms have been set up and how much land allocated, but it is unable to assess whether private farmers will be able to feed the country or a region. Street and commercial trade are not included at all in the weekly bulletins about price rises, which are published in IZVESTIYA, although it is clear that their share of total sales volume is on the rise. As a worker in the Ministry of the Economy put it, "We realize that we do clearly overlook many things in our calculations, but the 'how much' reference point has long since been lost by us."

In practice it is only possible to compare the post-soviet economy with the economy of other countries in terms of physical indicators, and that if you disregard the difference in the quality of the goods and services.

The IMF issues a special publication, INTERNATIONAL FINANCIAL STATISTICS, which publishes only the most important indicators (but by no means all of them are well known to science or are used by states' data administration organs). This make it possible to judge the condition of the economies of all 156 IMF states. However, our official statistics in general do not take account of the bulk of these indicators. They are sometimes taken into account by individual enterprising researchers and are published in their work.

For example, from the one and only universal set of information on prices which is standard for the whole world the following are not printed or perhaps even tracked in our country—share prices, turnover in capital construction, prices for petroleum and petroleum products, and individual wages. We are creating a market economy without legitimate information on the condition of the state's balance of payments, without national product and national income deflators (which are used in the statistics of indices and make it possible in a period of inflation to compare present-day prices with the prices of the baseline period), without information about bank deposits, interest rates—even the averaged rate—for credit, the amount of credit issued, the foreign currency exchange rates in our market, the state reserves, the money supply, the cash remaining in bank tills, the issuing of bank notes and credit, the rate of inflation, and so on, and so forth.

Almost all this information about our state can be read by the citizens of any IMF country—from Barbados and Zimbabwe to the United States, Japan, and Germany—in their daily newspapers. In our country almost all this information is unavailable even to top state officials. It is interesting that even the chairman of the Supreme Soviet, to whom the chairman of the State Committee for Statistics is directly accountable, suddenly announced to the Sixth Congress of People's Deputies that he does have available certain alternative official data on the state of the economy.

The extent to which the state of the information received by the state leaders suits them is of course a separate issue. Most independent experts consider that it is highly convenient, because it enables the failures of their policy to be concealed. But objectively speaking, this is hardly acceptable—it is too primitive. Ultimately you cannot conceal failures on such a scale, and the drawbacks that stem from the fact that the picture formed on the basis of the statistics does not match the real situation are very great.

Miscellaneous Issues

Atomic Energy Minister on Assets, Problems

MK290814409? Moscow MOSKOVSKIYE NOVOSTI in Russian No. 35, 30 Aug 92 (Signed to press 25 Aug) pp 14, 15

[Interview with Atomic Energy Minister Viktor Mikhaylov by Vladimir Orlov, place and date not given: "I Am Considered a 'Hawk'... Conversation With 'The Man From the Military-Industrial Complex'"—first four paragraphs are introduction]

[Text] What is the military-industrial complex? Everyone acknowledges that it is undoubtedly a powerful force today, capable of affecting Russia's entire political climate. But beyond that, as a rule, there are abstract arguments.

It is not surprising that the military-industrial complex leaders themselves prefer not to acknowledge that this abbreviation bears no direct relation to them. Some say that they are just the industrial complex and others that they are just the military complex...

My interlocutor is a military-industrial complex man through and through. Minister Viktor Mikhaylov has concentrated the control of all the country's nuclear power potential in his hands. A theoretical physicist, one of the creators of nuclear weapons, and a guardian of their secrets, he has headed since March 1992 a key, elite industrial sector. Almost 2 million employees of the Atomic Energy Ministry concentrate uranium, construct AES's [nuclear electric power stations], produce filling for mass destruction weapons, prepare nuclear explosions...

"I Am That Very Same Military-Industrial Complex!"

Viktor Nikitovich, whom I have heard described as one of the "unsinkable aircraft carriers of the past," greets me with a cigarette in his mouth. He looks intently: "Yes, I am that very same military-industrial complex!"

[MOSKOVSKIYE NOVOSTI] The very same one from which, according to the widely used expression, a threat to the present authority emanates? Are you a threat?

[Mikhaylov] I am a support for authority. And what is more, I say to you that the revival of industry, and that also means the restoration of Russia's greatness, will proceed from my ministry.

What have we come to: The military-industrial complex has virtually become a dirty word. People are afraid to acknowledge that they work here. The attempt to destroy the military-industrial complex is on Gorbachev's conscience. He virtually called for our plants' directors to be crushed. Talented scientists and organizers—just like bugs!.. He should have crushed the party functionaries—most of them were rogues and incompetents. But the party elite simply did not worm its way into our sector or take root—it was afraid.

[MOSKOVSKIYE NOVOSTI] Was it afraid of your power?

[Mikhaylov] Of its own incompetence. They found the word "atom" frightening.

[MOSKOVSKIYE NOVOSTI] But even today, to most people what your sector does is a closely guarded secret.

[Mikhaylov] In actual fact only 15 percent in the Atomic Energy Ministry work on "defense": This is the whole nuclear weapons complex, which I, incidentally, was in charge of in recent years.

[MOSKOVSKIYE NOVOSTI] And the remainder?

[Mikhaylov] Sixteen percent of the ministry's capacity work on science and advanced technologies. We have 7,000 doctors of science alone.

Showpiece Ministry

Or take construction. We have constructed such cities as Navoi, Protivno, and Podolsk. We produce one in 15 bricks in Russia, but ours are twice as cheap. And what finishing materials we have! What are you talking about? [Da chto tam...] And our plots of land in the Urals, in Siberia? And the cycling track in Krylatskyy? And the quality video recorders and compact discs? All this is our doing.

The Atomic Energy Ministry extracts the purest gold in the world. We have the cheapest zirconium production, the best isotope separation technology, and our energy consumption is 20 times lower than in the United States...

[MOSKOVSKIYE NOVOSTI] A real picture of paradise. And your workers have probably gotten used to their specially privileged living conditions?

[Mikhaylov] Who told you that? I have been in the sector since 1957 and have not seen any privileges. The virtue is that we develop comprehensively: Attached to every uranium combine is a state farm with a harvest yield, as a rule, about 150 percent higher than the average.

[MOSKOVSKIYE NOVOSTI] And the medical aspect?

[Mikhaylov] The cancer rate in the sector is half that of the country as a whole. Life expectancy is seven years higher. Last year we allowed a group of clergymen headed by a patriarch to visit the desert where St. Serafim Sarovskiy spent five years in solitude; Arzamas-16 is now there. They were staggered by our city: the cleanliness, the order, people's civilized nature.

And Yeltsin, when he came to Arzamas-16, was struck by the fact that we had managed to preserve the entire forest tract.

"Two to Three Nuclear Explosions a Year Are Needed"

[MOSKOVSKIYE NOVOSTI] A strange combination, you will agree... Such care about ecology—and the continuation of nuclear tests in Novaya Zemlya, which are provoking a resolute protest from ecologists.

[Mikhaylov] I told Yeltsin the same thing I am telling you now: If we want to remain a nuclear power, tests are necessary. Two to three a year; that is enough.

Where can they be held? In Novaya Zemlya, of course. There is no other place. Not a single person in the world will understand if we start to construct another test site. Novaya Zemlya is the optimum place, if safety measures are to be observed during the tests. I am a scientist who knows these things. And I cannot do without tests. Nobody can. The scrapping of tests is being called for by those who know nothing about the construction of a nuclear bomb.

[MOSKOVSKIYE NOVOSTI] Of course, you are an expert on nuclear energy. It is clear that you stand up for its advantages. But can it be that you never fear the possible tragic consequences?

[Mikhaylov] You have to choose the lesser of two evils. Today, surplus radiation ranks between 10th and 15th among the influences that lower the life expectancy of Russians. The activity of the oil and gas complex, for instance, is far more dangerous for your health.

Over the last 20 years, I have spent two or three months a year in Novaya Zemlya. Everything's fine: Today, the effect of radiation is actually being brought down to a minimum. Although many people want to make political capital from discussions on the threat of radiation. Because people abroad are watching very closely: On the one hand they are afraid of catastrophes, and on the other they know that this complex is our strength, and they are trying to shatter and destroy it.

Private Business Is Paying for Projects

[Mikhaylov] Take Chernobyl, even... Of course, it was a catastrophe. But I see something else here, too. Hundreds of thousands of people were resettled thoughtlessly, and they suffered colossal psychological damage, which will send a person to his grave far quicker than the

dose of radiation received there. International organizations have already begun to smirk at our incompetence.

[MOSKOVSKIYE NOVOSTI] But it is without any kind of smirk that the international organizations are keeping an eye on the appearance in Russia of private companies that are starting to finance the not always incontrovertible plans of your ministry. I'm thinking in particular of the CHETEK firm, which you actively supported.

[Mikhaylov] The issue concerns the project for destroying chemical weapons in large quantities. In my opinion, a quite reasonable and attractive piece of technology was proposed: by means of a subterranean nuclear explosion, the weapons are broken up and fused into the mass of soil. In this way, tens of thousands of tonnes of arms can be buried for many years with one explosion.

This idea has its supporters and its opponents. So it is vital not to stop here, but to carry out experiments. The whole project costs 100 million rubles [R]. CHETEK gave 10 million, expecting to cover the expenditure in the event of commercial application.

We didn't have any money, so we turned to private capital! But now CHEKEK is having financial difficulties, and it is withdrawing further and further away from this problem. We did not even need to renew the contract with them, the state found the money...

[MOSKOVSKIYE NOVOSTI] In CHETEK's case, discussions about a "commercial application" prompted many questions, but in the case of exporting uranium everything, in my view, is clear. Russia wants to and can become a leader, but the uranium market has already been divided up without us, and the United States is tripping us up...

"Nothing Will Stop Us Exporting Uranium"

[Mikhaylov] The Americans assure us faithfully that they will help to set up a market economy. But in fact they are conducting a savage trade war against Russia. They accused us of setting dumping prices for uranium. I gave my answer to representatives of the U.S. Administration: Stop talking rot! Our prices are low not because we are dumping our product, but because we have the very best technologies in the world.

Nothing will stop us from selling uranium abroad. It will be difficult for us. But we have sufficient forces. Already, the French company "Kozhema" [as transliterated], as well as Italian and American firms, are straining at the leash to cooperate with us in the sale of uranium.

Serious people in the West know that the Russian Atomic Energy Ministry has to be reckoned with. We have moved five or 10 years ahead of the West in a number of modern technologies. That is why the Japanese, South Koreans, Chinese, and Australians are requesting to go into partnership with us... I have only just signed a contract in the Republic of South Africa to sell this country technology for extracting gold from open cast mines.

I have every reason to look at this sector's future with confidence and optimism. It is possible that the revival of all Russian industry is on the horizon. The Americans can feel this, and it does not suit them: We are only necessary to them as an additional source of raw materials.

[MOSKOVSKIYE NOVOSTI] You risk violating an unwritten rule: You know, now everybody is looking to the future pessimistically. What's more, it has virtually become the fashion to curse the government.

[Mikhaylov] I am sometimes called the "hawk from the military industrial complex." Judge for yourselves what kind of "hawk" I can be if, on the whole, I sympathize with the steps being taken by the reformers from the government. They are called "a team of theoreticians." But you know, this is by no means the worst thing that you could have.

Moreover, there is another aspect. Right now, our attitude to the development of science is disgraceful.

If this continues, I will forget about my optimism, and in five years time we will turn into a regular workshop which Western business will not even want to come near. The West will merely pump our brains and resources. And then there will be no "elite" Atomic Energy Ministry to come to the rescue.

Draft Decree on News Agency Under President

LD2908165692 Moscow Mayak Radio Network in Russian 1400 GMT 29 Aug 92

[Text] The first report refers to the editorial office of PRAVDA. It has learned that a draft decree from Russian President Boris Yeltsin has been prepared on setting up a federal news agency [federalnoye agentstvo informatsii] attached to the president which will include ITAR-TASS, IZVESTIYA, Russian Television, and one of the publishing houses. Its main post (?will be filled by Vice Premier) Mikhail Poltoranin. He will have two first deputies of ministerial rank and four ordinary deputies. The administrative staff of the new agitation and propaganda section [agitprop]—this is how PRAVDA has nicknamed the future department—will be made up of about 400 people.

Regional Affairs

Russia, Tatarstan Achieve Economic Accord

OW2708184092 Moscow INTERFAX in English 1629 GMT 27 Aug 92

[Transmitted via KYODO]

[Text] As a result of a no easy dialogue and search for compromises the governments of Russia and Tatarstan

have coordinated their budgets and concluded a temporary economic agreement, the Prime Minister of Tatarstan Muhammad Sabirov told a news conference upon the end of the talks on Thursday [27 August]. He disclosed no details of the agreement, however, said that Yegor Gaydar lifted the economic blockade of Tatarstan, envisaged by a Russian Parliament resolution.

The Tatar Prime Minister said that in 1992 Tatarstan would adhere to the commitment to donate its share to the Russian budget and that the original sum of 4 billion rubles would be reconsidered in keeping with inflation. Russia will not impose taxes on oil sold by Tatarstan or imported goods, which will make it possible to save millions in hard currency.

Sabirov noted the Russian leaders' growing understanding of Tatarstan's position. He said that Tatarstan's intention to go economically independent was justified, because his republic had a great economic, research and industrial potential and political stability. At the same time he doubted the expediency of full independence. The Prime Minister of Tatarstan is certain that in the territory of the former USSR will emerge a new union of states, including those in the Baltic area.

As he answered a question by IF [INTERFAX], Sabirov said that Tatarstan did not need its own army - all defence matters are delegated to the federal Russian government and participation in maintaining CIS defences will be effected physically and materially through agreements with Russia.

Further on Sabirov Remarks

LD2808215292 Moscow ITAR-TASS World Service in Russian 1007 GMT 28 Aug 92

[By ITAR-TASS correspondent Nikolay Sorokin]

[Text] Kazan, 28 Aug—The talks between the Governments of Russia and Tatarstan have been fruitful, Muhammad Sabirov, prime minister of Tatarstan, has declared, speaking at a news conference here.

We are following an unusual path, he said, since it is the first time that a former autonomous entity is concluding a treaty, to which we attach particular importance, with a federal republic. The draft is not yet ready, but life goes on. That is why the need to sign an intergovernmental agreement has arisen. Primarily, it relates to finance and oil. From now on, there are no controversial matters. Russia has lifted the budget blockade of Tatarstan. Obstacles to Tatarstan's export and import deliveries have also been removed. Of the oil extracted in the republic, 2.1 million tonnes go on clearing the debts of the former union, while 5 million tonnes remain at Tatarstan's disposal for the implementation of the ecological program and for the oilmen's social needs.

Rally Demands 'Equal Treaty'

OW3008160292 Moscow INTERFAX in English 1505 GMT 30 Aug 92

[Transmitted via KYODO]

[Text] Today's rally in Kazan organized by the All-Tatar Public Center to mark the second anniversary of Tatarstan's proclamation of sovereignty demanded that the Tatar government sign an equal treaty with the Russian Federation based on the latter's recognition of Tatarstan's political independence.

Speaking at the rally, the Center's president, People's Deputy of Tatarstan Marat Mulyukov, insisted that a new constitution proclaiming Tatarstan an independent state be adopted before the republic signed a bilateral treaty with the Russian Federation.

Afterwards the participants in the rally marched through the streets of Kazan carrying banners reading "Independence Fight Continues" and "There Is Nowhere To Retreat - Behind Us Is Slavery." In the Kazan Kremlin they celebrated a Muslim service of worship and performed a rite in memory of the victims of the independence fight.

Meanwhile another rally, also organized by the All-Tatar Public Center, is still going on in Naberezhniye Chelny, a major industrial town in Tatarstan, where the KamAZ lorry-manufacturing plant is situated. The rally participants have placed pickets outside the local interior administration. The Tatar Interior Ministry has described the situation in the town as "tense."

Tatarstan President on Independence Anniversary

LD3008171492 Moscow Mayak Radio Network in Russian 0540 GMT 30 Aug 92

[Interview with Tatarstan President Mintimer Shaymiyev by station correspondent Ilyas Latypov; date and place not given—recorded]

[Text] The declaration of Tatarstan's state sovereignty was adopted on 30 August two years ago. Our correspondent Ilyas Latypov met Mintimer Shaymiyev, president of the Republic, and interviewed him. Here is the interview.

[Latypov] Mintimer Sharipovich, what would you like to particularly single out in assessing the results of the past two years?

[Shaymiyev] I think the main result is that the idea of sovereignty is taking a deeper and deeper hold in people's conscience. For the first time, people have finally felt themselves to be the masters of their labor and of the great potential which was created by the previous generation and the present generation. The localities are at last ridding themselves of a strict center. It has become possible to bring that potential into operation in the interests of the people of that territory.

[Latypov] The republic did not sign the Federation Treaty, as is known, and the term, the special position of Tatarstan, was born. If there is such a position, what does it consist of?

[Shaymiyev] We noted in the declaration of state sovereignty itself that Tatarstan's relations with Russia should be built upon the basis of treaties. We firmly adhere to this position, and these principles are laid as the basis of the draft treaty, the preparation of which is already nearing completion now. I think that this year we will succeed in signing such a treaty. A fundamental feature is that if we want to build a civilized, democratic state in the person of Russia, and if we want the state of Tatarstan to be established in a civilized way, relations and the union must be built upon the basis of the mutual delegation of powers.

[Latypov] Recent statements by national parties and movements of the republic speak openly of their claim to state power. What have you to say about that?

[Shaymiyev] That reminds me rather of the tale of the pauper who would be king. Unfortunately, over the past few years that has been observed frequently on the part of various movements' individually ambitious leaders. There are simply no real grounds in Tatarstan for parallel structures of power to find any support among the population. The prestige of state power is rather weighty, because a centrist position is being adopted which takes account of the national composition of our population, and does not give in to extremist pressure by any side. There are few people nowadays who are interested in politics. Out of the numerous political statements by any movements or parties, I would say that there have not been any constructive actions for the good of the people on any side.

[Latypov] You have just returned from a trip around the harvest areas. But if you take account of the fact that the harvest is already a result—what is that result?

[Shaymiyev] Last fall we adopted a program for the broad support of the agro-industrial complex. For the first time, over 10 billion rubles was allocated from the state budget for acquiring fertilizers, machinery, equipment, and spare parts, and for continuing the program of providing the countryside with facilities. All these measures have justified themselves utterly and completely. The harvest in our republic is quite good. The harvest is proceeding in an organized manner. There will be enough grain, potatoes, and vegetables. Moreover, we have made a decision on all types of cattle figures. So we look at these issues with confidence.

Good Results in Tatarstan Harvest Reported

LD3008151692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 30 Aug 92

[Video Report by station correspondent I. Latypov; from the "Novosti" newscast]

[Text] Our correspondent reports on the course of the harvest in Tatarstan, a major granary of the Volga.

[Latypov] In the republic to date, grain has been threshed from two-thirds of the area sown under grain crops. The industriousness of our people is yielding quite good results. For instance, state farms in the Stolbishchiskiy and Laishevskiy have gathered in almost 40 quintals on average. There are many such examples. That has allowed many farms and entire rayons to settle with their contractual commitments for the sale of grain to the state.

Quite a good harvest of peas—a traditional crop for Tatar farmers—has been brought in.

Half of the expenditure incurred by farms on fuel and lubricants, fertilizers, and pesticides has been discharged thanks to subsidies.

Purchase prices of grain have been raised, otherwise in the conditions of the present high prices the harvest would be doomed to fail not just in weak, but also in strong farms.

More coarse and succulent fodder has been laid in than last year; moreover, corn raised by specialist grain-growing techniques henceforth will occupy a more substantial place in it.

Territorial Executives Form Pro-Reform Union

LD2808133992 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 28 Aug 92

[From the "Novosti" newscast]

[Text] Heads of territorial bodies of executive authority in the Russian Federation announced today that they will set up a union of their own. Its aims will include implementing reforms, halting sabotage of the reforms, and preventing the restoration of the command-and-administration system, as well as preserving Russia's integrity.

The statement particularly stresses that the union will support the Russian Federation's president and government.

Chinese Minister Visits St. Petersburg Academy

LD2708145392 Moscow ITAR-TASS in English 1343 GMT 27 Aug 92

[By ITAR-TASS correspondent Anna Scherbakova]

[Text] St. Petersburg August 27 TASS—Member of China's Council of Ministers and Defence Minister Colonel-General Qin Jiwei, at present in Russia, began his official visit from St. Petersburg. Today he arrived in the city on the Neva River.

The defence minister paid a visit to the Commander of the Leningrad Military District Colonel-General Sergey Seleznev and visited the Admiral Nikolay Kuznetsov

Naval Academy, where he appraised himself [as received] with the training methods of Russia's largest naval educational establishment.

A wreath was placed on behalf of the Chinese people at the monument to heroic defenders of Leningrad at the Victory Square.

The Chinese defence minister leaves for Volgograd in the morning of August 28.

Chinese Firms Expand St. Petersburg Presence

OW3008171292 Moscow INTERFAX in English 1636 GMT 30 Aug 92

[From the "Foreign Trade" section of "Interfax Business Report" feature—transmitted via KYODO]

[Text] Chinese firms have signed agreements on trade and joint production with the administration and manufacturing firms of Russia's Leningrad district (St. Petersburg area).

Hubei Province To Send Russia Bearings and Construction Materials...

The Chinese province of Hubei and the Leningrad district signed an agreement to trade manufactured product.

Russia will send China highway construction technology, spinning loom parts, non-ferrous metals, chemical products, and cables. In exchange China will supply Russia with bearings, and polyethylene plumbing and construction materials. The size and period of shipments has not been stated.

...and Provide Assistance in Production of Tractors

The Russian joint stock company Narver and the Bureau of Construction Materials from the Chinese province also signed a contract to form a joint venture with $2.5 mn [million] in capital to produce bricks. Profits from the plants which will produce between 15-20 mn bricks a year, will be divided evenly. The Russian party to the agreement will provide land, dormitories for construction workers and communications. The Chinese will supply equipment for brick production.

The machine building plant in Sosnovy Bor (Leningrad district) and the Sintaisky Tractor Plant (China) plan to set up a joint venture to produce 15 to 17 hp [horse power] mini-tractors which will sell for $5 to $6 thousand. The two parties will prepare the joint venture's founding documents by the end of August. The Russian plant, which up until 1990 produced livestock feeds, has the necessary production space (122 thousand sq meters), work force (2 thousand workers), crane and electroplating equipment, as well as paints.

Sichuan Province To Work in Construction

The Sichuan province of China signed an agreement on economic cooperation with the Krasnoyarsk territory of Russia (western Siberia). Contracts are expected to be signed soon for the construction of a business center and hotel in Krasnoyarsk. This autumn one of the territory's collective farms will allocate 75 hectares to the Chinese to be planted with vegetable crops. Defense complex firms from the Chinese province and the Krasnoyarsk territory are preparing an agreement on cooperation in modern technology, namely to produce durable polyethylene containers. Two joint ventures will also be set up to manufacture consumer goods and food products.

The Sichuan province plans to sign similar agreements with the Leningrad district.

South Korean and Turkish Firms in Step With Chinese in St. Petersburg

St. Petersburg's commercial-manufacturing network includes more than 20 Russian-Chinese joint ventures, including two ethnic restaurants, and several enterprises representing traditional Chinese medicine, stores, and lamp makers.

Unlike the Chinese, who have directed their efforts toward the development of commercial and restaurant enterprises, South Korean and Turkish firms prefer large scale electronics and construction projects.

The South Korean Daewoo has formed a joint venture with the state radio electronics firm "Positron" to assemble video cassette recorders. Daewoo will also produce buses at the Kirovsky plant. The firm expects to be given ownership of the Petrogradskaya hotel.

The Turkish firms Rem and Enka will remodel Frunzenskaya, one of St. Petersburg's largest department stores. City administration will give the firms the right to use some of the store's selling space.

St. Petersburg To Work With East and West Alike

City officials said that St. Petersburg will employ a single economic policy in dealing with businessmen throughout the world. Officials expect the city to become the transfer point for shipments from Pacific Ocean nations, the Middle East and Europe. Israeli, Finnish, and British firms are already forming joint ventures with northwest river steamship lines (state transportation firms) to move shipments from Europe and Asia along Russian waters.

Khasbulatov Explains Purpose of Karelia Visit

LD2808185892 Moscow Radio Rossii Network in Russian 2000 GMT 27 Aug 92

[Report by correspondent Valeriy Potashov from Petrozavodsk]

[Text] On 27 August Ruslan Khasbulatov, chairman of the Russian Supreme Soviet, arrived on an official visit in the capital of Karelia. Valeriy Potashov reports from Petrozavodsk:

[Potashov] Khasbulatov explained his visit to the republic in the following way:

[Begin recording] [Khasbulatov] First, the head of the Russian parliament must understand the life of the people, what conditions they work in, how our reforms, which are difficult enough, are being implemented, and the population's attitude toward them. Also, to talk with leaders and have meetings with work collectives. We intend to exercise very strict control over executive power bodies. [end recording]

[Potashov] In the afternoon Khasbulatov met with people's deputies, the republic's government, and heads of local administration at the Supreme Soviet of Karelia. Before the meeting, the speaker of the Russian parliament had an encounter with pickets set up by Afgantsy [former servicemen who fought in Afganistan], who demanded that their living accomodation problems be solved. As for the meeting, almost all the speakers asked Khasbulatov for material help.

Khasbulatov Ends Tour

LD3008145492 Moscow ITAR-TASS World Service in Russian 1148 GMT 30 Aug 92

[By ITAR-TASS correspondent Vladimir Zlobin]

[Text] Petrozavodsk, 30 Aug—Ruslan Khasbulatov, chairman of the Russian Federation Supreme Soviet, has ended his four-day tour of Karelia. At 1530 today he flew to Moscow. The head of parliament visited the towns of Petrozavodsk, Sortoval, and Pitkyarant, holding numerous meetings with people's deputies, workers, foresters, and border guards. He also visited the islands of Kizhi and Valaam, where he was shown how internationally significant architectural landmarks are being restored and preserved.

Chechen Leader Comments on Abkhaz Conflict

OW2608143492 Moscow INTERFAX in English 1351 GMT 26 Aug 92

[Transmitted via KYODO]

[Excerpt] [Passage omitted] Speaking about the conflict in Abkhazia, President of the Chechen Republic Dzhokhar Dudayev said that as a human he was on the side of the Abkhazian people, but as a statesman he will not interfere in this internal conflict. Dudayev believes that the root of the conflict is in that Georgia went back to the constitution of 1921 when Abkhazia was not part of this republic. In view of this, Abkhazia announced its sovereignty, which displeased Shevardnadze.

As for the volunteers of the Confederation of Caucasian Peoples sent to Abkhazia, "this is a matter of one's conscience and convictions", said Dudayev.

The headquarters coordinating the voluntary movement informed IF [INTERFAX] that one more group of volunteers left from Groznyy to Abkhazia on Tuesday [25 August]. Near Vladikavkaz their buses were fired at and one bus was badly damaged. The volunteers seized an Ossetian bus and continued their movement. In Pyatigorsk they took the city's mayor hostage, reached Cherkessk and from that city moved further to Abkhazia across the mountains.

Adygeya Rally Held To Protest Georgian Moves

LD2808143792 Moscow Russian Television Network in Russian 1000 GMT 28 Aug 92

[S. Shcherbal report from Krasnodar; from the "Vesti" newscast]

[Text] This morning a rally was held at a railway crossing near the Adygeya village of Shendzhiy, approximately 30 km from Krasnodar. Inhabitants of the nearby villages and deputies of the parliament of the Republic of Adygeya took part in it. They threatened to block the railway line between Sochi and Krasnodar and demand that media representatives be present at the rally.

The Georgian side's refusal to hand over to relatives the bodies of the Adygeya volunteers who were killed while fighting on the Abkhazian side sparked off the rally. Moreover, it has become known from unofficial sources that the Georgians are demanding a 500,000-ruble ransom for the handover of every victim.

According to the information we received at the permanent representative's office of the Republic of Adygeya in Krasnodarskiy Kray, about 100 Adygeya volunteers are now taking part in the conflict. The republic's leadership is taking measures to halt any increase in their numbers.

After talks, railway workers managed to persuade the participants in the rally to let passenger trains through on this line. The participants in the rally adopted an appeal to the president and the parliament of Russia in which they stated their demands:

[Unidentified unidentified speaker recording] The immediate withdrawal of the troops of the Georgian State Council; second, the immediate convocation of a session of the Russian Supreme Soviet; and third, at this session the deputies of the Russian Supreme Soviet should adopt a decision to enable those wounded and killed to be removed from the territory of Abkhazia. [end recording]

International Affairs

Russian Treaty Rumors Denied, Draft Circulated

LD3008200692 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 30 Aug 92

[Text] Today the Ukrainian Foreign Ministry press center circulated a statement which reads, in particular:

In recent days some mass media and certain public figures have disseminated speculative rumors to the effect that our republic's Foreign Affairs Ministry has alledgedly prepared a draft treaty which does not correspond to Ukraine's interests, and has sent it for approval to state institutions. The press center states that these rumors do not correspond to reality.

Only the draft treaty prepared in the Foreign Political Department of the Russian Federation can be discussed here. It has been handed over to the Foreign Affairs Ministry of Ukraine. It was precisely this document, in accordance with the existing practice, which our Foreign Affairs Ministry sent to other ministries and departments. As far as the Ukrainian draft treaty with Russia is concerned, it is now being elaborated, proceeding from the national interests of Ukraine, the statement stresses.

Draft Rejected

LD3008121592 Kiev Radio Ukraine World Service in English 0000 GMT 30 Aug 92

[Text] The leadership of Ukraine rejected a draft agreement on friendship forwarded by Russia on the grounds that the provision on close military and political cooperation serve exclusively the Russian interests. The foreign minister of Ukraine, Anatoliy Zlenko, declared to REUTER that he does not approve the draft agreement, which was published by one of the Kiev newspapers. This text was submitted for the examination of Ukrainian leaders during a summit in Yalta, but the Ukrainian side considered it an attempt to revive a unitary state and deprive Ukraine of sovereignty.

The agreement envisages in part mutual defense in case of an attack to one of the states as well as joint formation of armed forces. A supplement to the agreement guarantees Russia the right to dislocate its troops on the territory of Ukraine. [sentence as heard].

Government Moves To Merge CIS Navy Schools

LD2808123892 Moscow ITAR-TASS in English 1217 GMT 28 Aug 92

[By ITAR-TASS correspondent Andrei Naryshikin]

[Text] Moscow, 28 Aug (TASS)—The Ukrainian Government decided to merge two Sevastopol-based CIS navy higher schools into the Navy Institute of Ukraine. The head of one of the schools was dismissed, TASS learned from the headquarters of the Black Sea Fleet on Friday [28 August].

Both schools, the Nakhimov Black Sea Higher Naval Institute and the Sevastopol Higher Naval Engineers Institute, belonged to the CIS Strategic Forces, according to the interstate CIS agreement on strategic forces of December 3, 1991. The Russian-Ukrainian agreement on the Black Sea Fleet signed in Yalta on August 3, 1992 did not change the status of the schools, the headquarters said.

The schools train officers for all Commonwealth states. 10 disciplines necessary for strategic forces are studied only there, according to the source.

Rear Admiral Vladimir Denisenko was dismissed as head of the Nakhimov school by the Ukrainian defence minister. Valentin Savchenko, captain first rank, replaced him.

U.S. Envoy Seeks Kravchuk Statement Explanation

LD2908134892 Kiev Radio Ukraine World Service in English 2100 GMT 28 Aug 92

[Text] The Embassy of the United States in Ukraine has seen the statement issued by the Ministry of Foreign Affairs concerning the possible expulsion from Ukraine of foreign citizens who criticize it. The ambassador has been in touch with the office of President Kravchuk to seek clarification from the Government of Ukraine. We know that Ukraine has made a commitment to democracy and to observance of UN and CSCE principles, including the full freedom of expression, as a fundamental right. Ukraine has taken steps in this positive direction and we expect it to continue on this path, reads the statement of the ambassador of the United States of America in Ukraine.

Ukraine Not To Receive U.S. Food Aid

LD3008183892 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 29 Aug 92

[Text] The additional food aid to republics of the former USSR which has been started by the U.S. Agriculture Department will not apply to Ukraine. We were informed of this by a high-ranking Ukrainian Government official who wished to be unnamed. According to him, before this decision was taken by the U.S. Administration, representatives of the Government of Ukraine informed them that our state would like not to appear on that list. The official said that the rejection was connected with the unwillingness to shock our population by deliveries of American foodstuffs, considering that so far, Ukraine has fed itself without foreign support.

Growth in Number of Joint Ventures Reported

LD3108103792 Kiev Radio Ukraine World Service in English 0000 GMT 31 Aug 92

[Text] From late there has been a tendency in Ukraine for the growth in the number of joint ventures. This process was stimulated by the law of Ukraine on foreign investments. During the second quarter of this year, right after the adoption of the law, 130 joint ventures

were registered in Ukraine. About one-third of them were set up with the involvement of American and German capital.

National Affairs

RUKH, U.S. Statements Criticizing Kravchuk Banned

LD3008092892 Moscow Radio Rossii Network in Russian 0800 GMT 30 Aug 92

[Text] According to the UNIAR agency, the leadership of the Ukrainian state television and radio company has placed a ban on circulation by central and local television and radio of a statement by RUKH Cochairman Vyachaslav Chornovil which contains criticism of the position by the Ukrainian president set forth in a statement by UKRINFORM on 27 August. A statement for the press on the same subject by the U.S. ambassador to Kiev is also not recommended for circulation.

Kravchuk's reaction to the results of the World Forum of Ukrainians is the subject under discussion. On behalf of the president, UKRINFORM regarded the criticism voiced at the forum and addressed to the Ukrainian leadership as an attempt to split the people and to sow the seeds of hostility. In turn, RUKH leader Chornovil said that the contents of the statement by UKRINFORM reflected a pathological unacceptance by the Ukrainian leadership of different thinking and its misunderstanding of the principles of democracy. The American Embassy in Kiev has also voiced bewilderment with regard to the UKRINFORM statement.

Kravchuk Gives News Conference in Lvov

LD2908221792 Moscow ITAR-TASS World Service in Russian 2100 GMT 29 Aug 92

[By ITAR-TASS correspondent Galina Nekrasova]

[Text] Lvov, 30 Aug—Ukrainian President Leonid Kravchuk, who is touring the republic, spoke at a news conference in Lvov on 29 August. He arrived at the invitation of the Ukrainian Greek-Catholic Church, which is currently marking the ceremonial reburial from Rome of the remains of Yosyp Slipyy, the head of the Ukrainian Greek-Catholic Church, in the St. Yur Cathedral in Lvov. It is no accident that journalists' questions mainly concerned religious problems in Ukraine.

Inter-confessional disputes are of particular concern. The Greek-Catholic Church had its official status returned only 2 years ago, as a result of which, property disputes are cropping up in various places. The attention of the press was drawn to conflicts in the Ukrainian Orthodoxy itself. The republican president noted that he advocates Ukraine's own independent church which is not administered by another state.

Talking about a growing confrontation between political forces in Ukraine and about a recent UKRINFORM statement on hostile speeches of some diaspora representatives at the World Forum of Ukrainians, Leonid Kravchuk pointed out that such a statement should have appeared even earlier. This does not signify to any extent that democratic processes in Ukraine are being curtailed; however, certain foreign organizations, by their acts, bring detriment to the state, and interfere in the internal affairs of Ukraine.

"I come out against schismatic activities, against separatism. It is not accidental that one would refer to a first president as a kamikaze. There is some exaggeration in this comparison, but it does make sense. Hard though it is to adopt an unpopular centrist position in this difficult transitional period, I will not allow the state to be dragged into the conflict from the left or from the right, that would eventually stifle the young republic."

Assessing his trip to the Dnieper region, Leonid Kravchuk said that people in this region understand that action is needed. They are not seeking the resolution of complex technological problems in Russia, where machinery is old and uneconomic—as in Ukraine. The way out is via integration with the European states and economic structures. In response to a question on the upcoming resignation of Vitold Fokin's government, the president answered that he would like to know the opinion of more than just the Supreme Soviet. Representatives of the numerous concerns, associations, and corporations in Ukraine are also expressing their opinions. After all, the government plays a primary role in the economic sphere. Its mistakes are, as incidentally are those of the president himself, of insufficient decisiveness in the economy. It is true that there are already some small plus points as well. Although the slump in production has not been stopped yet, it has been halved. "It is not stable, it is not of long duration, but nevertheless there is a stabilization in the economy," Leonid Kravchuk noted.

In answer to American journalists' questions, the Ukrainian president said that relations between the two countries are very important. "The United States has a historic democracy and great experience. America is valued for its humanism, democracy, and even for its strength. It is important for Ukraine to have good relations with the United States. I would like to wish George Bush success in his election campaign, and I would like him to visit the young, sovereign Ukraine," Leonid Kravchuk said in conclusion.

Kravchuk Comments on Agricultural Developments

LD2908051792 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 28 Aug 92

[From the "Novosti" newscast]

[Text] Ukrainian President Leonid Kravchuk continues his trip around the republic's oblasts. He visited a number of enterprises in Dnepropetrovsk oblast today

where he acquainted himself with the state of affairs and prospects for the development of the agro-industrial complex.

[Begin Kravchuk recording] What I've seen is that people do not already rely on the state—since the psychology of our people, inter alia of leaders, over the last 70 years has been deformed to such an extent—it was assumed that the state does everything. Now we have the market, so one should operate independently. [end recording]

As of today, the Ukrainian peasants delivered to the state 10 million tonnes of grain out of 14 million planned by the government. Leonid Kravchuk thinks that this quantity of grain is enough to feed the people but on the condition that every kilogram of bread grain is under strict control and its price does not go up.

Government To Reform, Reorganize Armed Forces

OW2908153692 Moscow INTERFAX in English 1511 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] According to the press service of the Ukrainian Defense Ministry, the ministry's senior officials held a meeting yesterday considering reforms in the republic's armed forces. The officials decided to form a southern and western operations commands on the basis of the Odessa and Ciscarpathian Military Districts, and approved a new arms and services structure of the forces.

TASS Report Quoting Plyushch 'An Obvious Fake'

LD2808180392 Kiev Ukrayinske Telebachennya Television Network in Ukrainian 1600 GMT 27 Aug 92

[No video available]

[Text] ITAR-TASS has circulated material for the mass media, including the foreign mass media, entitled: Some people want to see Ukraine in the role of a younger brother as before, believes the head of the Ukrainian Supreme Soviet. It contains comment on an interview with Ivan Stepanovych Plyushch, head of the Supreme Soviet, published on 27 August in the newspaper TRUD, in which the essence of the material has been badly twisted. At the beginning of the interview, Plyushch remarks that even after numerous rounds of negotiations in Dagomys and Moscow, when nearly all the t's were crossed, in Russia some people do not want stabilization in our relations. Some people want to see Ukraine in the role of a younger brother as before.

To confirm that, the head of the Supreme Soviet quoted in particular the following fact: I was reading the post the other day and came across a government telegram signed by retired Admiral Kalinin addressed to the heads of the CIS states. I am warning, he threatens, that with regard to the Black Sea Fleet, there is the possibility of a bloody incident soon, and that a joint administration of the fleet should be created which would include representatives of Russia, Georgia, Ukraine, and Crimea. Unquote.

Ivan Stepanovych Plyushch was surprised by the fact that a telegram with such contents had been sent through official channels. However, in the ITAR-TASS report it was reversed, so to speak, from beginning to end. It runs: At the Black Sea Fleet there is a possibility of a bloody incident soon, warned Ivan Plyushch, head of the Ukrainian Supreme Soviet, in an interview with a TRUD correspondent. In order to prevent bloodshed, Ivan Plyushch suggests creating a joint administration of the fleet which would include representatives of Russia, Georgia, Ukraine, and Crimea. Unquote.

Here it is; the author of the information agency has attributed the statement of the admiral, which is condemned in the interview, to the head of the Ukrainian Supreme Soviet, thus giving the material a completely different political coloring. It is natural that the people who have read the account of Ivan Stepanovych Plyushch in the newspaper TRUD will be surprised or indignant at this rather biased interpretation of it by the information agency. However, those who are not familiar with the interview have to be warned by the press center of the Ukrainain Supreme Soviet: the ITAR-TASS report is an obvious fake.

New Liberal Party Presented in Zaporozhye

LD2808224192 Moscow ITAR-TASS in English 1504 GMT 28 Aug 92

[By UKRINFORM correspondent Vladimir Eryomenko for TASS]

[Text] Zaporozhye August 28 TASS—A new party—the Liberal Party of Ukraine—has appeared on the political scene of the republic. The party held its presentation today in the music and drama theatre of Zaporozhye.

The new political organization comprises about 30,000 members. They include entrepreneurs, businessmen, industrialists, representatives of technical and creative intelligentsia, students and highly qualified workers. The main aims of the party are the creation of a modern market economy and mechanism of a parliamentary democracy.

Belarus

Central Asian Frontier Guards To Be Recalled

LD2908124492 Moscow ITAR-TASS in English 1812 GMT 28 Aug 92

[By BELINFORM correspondent Leonid Tratsevskiy for TASS]

[Text] Minsk August 28 TASS—We are not talking at all of immediately recalling home our soldiers, that is how the first vice-chairman of the Belarusian Supreme Soviet, Vyacheslav Kuznetsov, commented on the decision taken by the Belarusian Council of Ministers' Directorate of Frontier Guards regarding the recall of 1,300 soldiers and sergeants, natives of Belarus, at present serving in the Central Asian Frontier Guard District.

The Belarus leadership is far from the thought of stripping in a matter of one hour or so the former Soviet Union's state border, now boundary of sovereign CIS states, with which we maintain the closest friendly ties. The decision regarding their withdrawal will be fulfilled in a constructive and well-balanced way, considering interests of all interested sides and the understanding reached with Russia, which has taken over frontier guards in the Central Asian region under its own jurisdiction, Vyacheslav Kuznetsov emphasised in an interview with BELINFORM-TASS.

Ministry To Transfer Soldiers Who Take Oath

LD3008092692 Moscow Radio Rossii Network in Russian 0500 GMT 30 Aug 92

[Text] A news conference has been held at the Belarusian Ministry of Defense in Minsk. It was announced there that the military who take the oath of allegiance to Belarus on 8 September will be transferred to the reserves. The ministry regards taking the oath of allegiance as a political action, EKSPRESS KHRONIKA reports.

Pest Control May Yield 'Huge' Potato Profits

LD2808214192 Moscow ITAR-TASS in English 1316 GMT 28 Aug 92

[By BELINFORM correspondent Ivan Kuksa—TASS]

[Text] Brest August 28 TASS—Belarusian scholars have evidently found the cheapest and most effective means to control the Colorado potato beetle. Potato fields where tubers were treated with polymetallic water concentrate before planting, became quite clean from the main enemy—the Colorado beetle.

The experiment was carried out under the supervision of researchers from the Brest Agricultural Station.

Investigations will be continued on a larger scale next year. If it turns out that polymetallic water concentrate is a poison for the Colorado beetle, this discovery will bring huge profits for potato-growing Belarus.

The method is simple and very cheap. The stocks of water concentrate are virtually unlimited in the Pripyat river bulge, Gomel Region. According to specialists, its use substantially decreases the quantity of radio nuclides in agricultural products.

The first tests showed that the level of pollution with strontium and caesium drops to 60-75 per cent in vegetables, grain crops and grasses. This property of "miraculous water" is very important for Belarus where the problem of decontaminating agricultural products is very acute.

Moldova

Snegur, Romanian President Meet in Romania

LD2808130592 Moscow ITAR-TASS in English 1213 GMT 28 Aug 92

[By ITAR-TASS correspondent Dmitriy Dyakov]

[Text] Bucharest, 28 Aug (TASS)—Romanian President Ion Iliescu and his Moldovan counterpart Mircea Snegur are holding a meeting in the Romanian border city of Husi. The Romanian leader told journalists before the beginning of the talks that they are going to discuss "mostly bilateral relations." "This is going to be an ordinary meeting, at which we shall inform each other of the situation in our respective countries, including the evolution of the developments," Iliescu said.

The current meeting of the leaders of two neighbouring countries is the first one after the signing in Moscow of the Russian-Moldovan agreement on ceasefire and the settlement of the conflict in the Dniester region. Leaders of some local opposition parties and most newspapers believe the latest contacts between Moscow and Chisinau on the summit level show that "Romania has been removed from the negotiating process on the Dniester region." Some people here are of the opinion that the Moldovan leadership "is following in the wake of Russia" and the more and more obvious orientation of Moldova to the CIS will lead to "a postponement for an indefinite period of time of Moldova's reunification with its motherland."

The Moldovan president pointed out in his turn that he came to Romania because of the need for "exchanging views on some political and economic issues."

The meeting is being attended by Dan Martian, chairman of the chamber of deputies at the Romanian Parliament, Teodor Melescanu, secretary of state at the foreign ministry, and Moldovan Foreign Minister Nicolae Tiu.

Discuss Dniester Cease-Fire

LD2808165592 Moscow ITAR-TASS World Service in Russian 1457 GMT 28 Aug 92

[By ITAR-TASS correspondent Dmitriy Dyakov]

[Text] Bucharest, 28 Aug— At a meeting between Romanian President Ion Iliescu and Moldovan President Mircea Snegur, attention was focused on the resolution of the conflict on the left bank of the Dniester, the continuation of the quadripartite efforts to support peace in that region, and the further development of economic cooperation between the two countries. The meeting was held today in the town of Husi, not far from the border between Romania and Moldova, and lasted four hours.

Afterward, the Romanian president told Romanian journalists that the main theme of the talks had been the implementation of the cease-fire in the conflict zone, which Boris Yeltsin and Mircea Snegur signed in Moscow on 21 July. He said that the Moldovan president had briefed him on the progress of the Russian-Moldovan negotiations, on the status of the 14th Army, and the date for its withdrawal from his republic. A wide-ranging exchange of opinions was also held regarding Romania's further involvement in the Dniester region peace talks.

"We agreed to keep working together within the quadripartite mechanism and at international forums in order to maintain peace and stability in the region", Iliescu added.

The Moldovan president praised the Moscow agreement on a cease-fire in the conflict zone and commented that it "has paved the way for a new stage in resolving the situation and has made it possible to start working for a political solution to problems within the republic".

Speaking about their talks on bilateral economic cooperation, Snegur noted that "certain details" of the agreement signed recently by the two countries' prime ministers "have been made specific." This primarily means construction of new power lines to include Moldova in the Romanian national grid, and the enlargement of several railway stations and highways.

Snegur announced that he has requested the Romanian head of state brief him on the election campaign, and that he wished Iliescu success in the presidential elections.

Snegur Comments on First Year of Independence

LD2808173692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1840 GMT 28 Aug 92

[Interview with Moldovan President Mircea Snegur by unidentified television correspondent, date and place not given; interview made by Moldovan television entitled: "One Year of Independence"—recorded]

[Excerpt] Mr. President, what does the date 27 August signify for the Republic of Moldova? How do you evaluate this first year of independence?

[Snegur] Well, in the first place, the date 27 August is a national holiday for the Moldovan Republic—independence day. This year Moldova marks the first anniversary of its independence. Unfortunately, an evaluation of the past year is rather contradictory. First, this period is characterized by greater freedom of action, both as far as the management of socio-economic development of the Republic is concerned, and as far as the establishment of business and diplomatic ties with various countries of the world is concerned. Suffice it to say that our independence has been recognized by 120 states—diplomatic relations have been established with approximately 50 of them. During the year, the republic has been admitted to the United Nations. It has become a member of the CSCE. It has become a member of the IMF, the International Bank for Reconstruction and Development, and other international bodies.

A considerable step forward has been taken in the cause of integrating our economy with the economy of other countries. I would say that the first steps have been taken in the direction of the West; the first steps of integration with the Western countries. Efforts have been made to preserve existing ties with the eastern countries, in particular with the countries which have split themselves off from the former Soviet Union.

So much for the positive part of the evaluation. It is a matter of profound regret that there are also negative aspects: the war foisted on the republic. I say war and not conflict because conflicts are local, whereas in this case, combat operations were under way in several places. So there is the war, foisted on us by separatists, and supported by certain external forces. This war has resulted in huge losses and, unfortunately, in large amounts of casualties. These are irreplaceable losses; a destroyed house or an enterprise that has stopped working, all that can be put right, but you cannot resurrect the dead.

I say this with great regret, because if it were not for the war we would of course have been able to succeed in great many things: the implementation of our reforms, the involvement of foreign capital in modernizing our economy, in developing tourism, and so on.

Third, proceeding from what I have already set out, I think that the people of Moldova can nevertheless look to the future with optimism. The people have proven that even in extraordinarily complex, extraordinary conditions, they are able to stand fast and to put a halt to such bloody carnage. After all, the agreement concluded between the Moldovan and Russian presidents stems not just from the personal initiative of President Snegur—it was the will of the people who elected him as president. So, if that is the case, if there is mutual understanding between the president and the people, we must remain optimistic, and on the basis of this mutual support, we

will overcome all difficulties which have arisen from the very inception of our independence and integrity as a republic.

[Correspondent] Incidentally, it is the view of many people that such conflicts are unavoidable against the backdrop of a peaceful disintegration of the empire.

[Snegur] Evidently this is the case, because life shows—even in the course of the past year it has shown that even democratization processes, processes whereby freedom emerges, entail certain costs. For far too long, all the republics of the former Soviet Union were under a totalitarian regime and acted like robots. Existing problems failed to be noticed for far too long. They were forcefully glossed over. When freedom emerged, some cadres—well, let us call them impatient—gave free rein to their emotions and this led to the emergence of conflicts in various places in the USSR. God willing, they will be the last conflicts. I would not like them to spread and I would not like them taking place in other republics. War is something very terrible, very terrible. It distracts attention from everything else, keeping tension among the leadership and the entire people alike.

However, let us return to the original part of your question: Well, evidently, due to these causes that have been set out, such conflicts have nevertheless turned out to be unavoidable.

[Correspondent] Nevertheless, and to our joy, we are ushering in the day of independence in peaceful conditions. However, Mr. President, the Republic of Moldova occupies a special geopolitical place. We are situated both in the former Soviet Union and in Europe, on the border between the CIS and the remaining part of Europe—well, in the Balkan zone, and so forth. At this present historical stage, what advantages does this give us, and what problems arise for us in this connection?

[Snegur] Let me start my reply with the last words of your question. That is precisely it—the misunderstanding that arose, the armed clash that ensued created problems for us, especially with regard to attracting Western capital to modernize the economy of the Moldovan Republic. You are perfectly correct—by dint of its geopolitical position, the Republic of Moldova is of great interest to Western businessmen. I know it to be true from my numerous meetings with these people and from my conversations with the leaders of these countries. The situation in our republic which, when all is said and done, is still unstable is one reason that holds back the development of ties with the West. Thank God peace came to the republic. We are returning, we are returning to our initiatives to have Moldova integrated with the Western economy, and I think that already in the nearest future you, along with our entire people, will become convinced that these initiatives really do exist.

It is planned to conclude a number of agreements with the Western countries and with international organizations such as the IMF; I have already enumerated them. That is to say, we expect an inflow of foreign credits to stabilize the economy and, to reiterate it yet again, to upgrade it. The purpose here is to stress the fact that we have the potential as such in the light industry, in the instrument making industry, in the engineering industry, and, in particular, in the processing industry. We need modernization so that the finished product is competitive not only on the eastern markets but also on the Western markets. I want to say that offers are in hand and that there is great interest here. In several years, proceeding along this path and preserving peace, Moldova could become an unrecognizable republic and an unrecognizable country in terms of its development. I think that Western business circles will, without fail, avail themselves of these opportunities and these advantages.

[Correspondent] In conclusion, what, on this festive day, would you like to wish the television viewers of the Ostankino channel, which in the nearest future may become an inter-state channel?

[Snegur] Our chaotic life is such than not everyone reads the papers, while everyone watches the television news. We know this even from our own experience. First, it is of paramount importance that viewers should be given trustworthy information. Second, I would like all people to live in peace and quiet—that is the main thing. All the CIS countries, all the republics of the former Soviet Union, have come up against tremendous difficulties. Some suffer a shortage of ready cash to pay the wages; others intend to introduce their own national currency; yet others stop their enterprises from operating due to lack of raw materials, and send people on home leave, and this too is fraught with considerably negative consequences, because unemployment ensues as a rule. Unfortunately, our republic is not immune from this, either. The liberalization of prices also produced tremendous difficulties, especially where the poor and the lower salaried are concerned, and so on and so forth.

There are very many difficulties, but the policy of economic reforms is correct; I mean, all this will in the end lead to the situation returning to normal. However, peace is needed for this—I said that at the very beginning. That is why my biggest wish is to wish peace, happiness, health, and more optimism. [passage omitted]

Kazakakhstan

5 Million Tonnes of Grain Threshed

LD2808210192 Moscow ITAR-TASS World Service in Russian 0610 GMT 28 Aug 92

[By KAZTAG correspondent Anatoliy Shevelev for TASS]

[Text] Alma-Ata, 28 Aug—Five million tonnes of grain have been threshed in Kazakhstan since the beginning of the harvest. That is one-fifth of the planned gross yield of grain for this year.

It is already obvious that the present season is turning out to be a successful one for cereals nearly everywhere in the republic. Good threshing results have also been recorded in the south, where the harvest is already coming to an end, and in the west, where it is now at its height. Combine harvesters in Aktyubinsk oblast, for example, have obtained from one-third of the cleared fields, an average of 3.7 quintals per hectare of wheat, barley, and oats over and above the planned quantity.

Dzhambul Oblast Produces Excess Grain Harvest

LD2908164992 Alma-Ata Kazakh Radio Network in Russian 0100 GMT 29 Aug 92

[Text] Some news of the harvest. The gross yield of grain crops in Dzhambul Oblast is just under 1 million tonnes this year. The final figure is 940,000 tonnes. This is 60,000 tonnes more than was planned. Farms in Dzhambul Oblast have fully completed the harvest. The current productivity of fields is among the best results of the last few years—on average the yield from each of the more than 500,000 hectares was 1.7 quintals of grain above the plan. The state order targets for grain purchases will be fulfilled by the farms in the nearest future.

140 Instances of Grain Embezzlement Recorded

LD2808211392 Alma-Ata KAZTAG in Russian 1120 GMT 27 Aug 92

[Excerpt] [Passage omitted] Altogether, according to figures from the republic's Ministry of Internal Affairs, since the start of the harvest, over 140 instances of grain embezzlement have been uncovered; 285 tonnes of wheat, barley, rye, and other crops have been returned to the state to the value of 2.2 million rubles. Some 126 criminal cases have been instituted against the thieves. Frankly speaking, such a "harvest" does not cause joy.

Court Refuses Communist Party Registration

LD2908214292 Alma-Ata Kazakh Radio Network in Russian 1400 GMT 29 Aug 92

[Text] The Communist Party of Kazakhstan has, after all, been refused registration. It applied for registration in February this year. The Republican Justice Ministry refused to register the Party because its rules violate the constitution of the republic. After the Communist Party lodged a complaint, the Supreme Court considered the decision unlawful and instructed that the rules of the Communist Party be registered.

Yesterday, the Presidium of the Supreme Court of the Republic of Kazakhstan gave its final decision on this case, refusing to satisfy the complaint lodged by the Communist Party.

Workers Protest Economic, Social Policy

LD2808165692 Alma-Ata KAZTAG in Russian 1013 GMT 26 Aug 92

[Excerpts] Many speakers at a protest rally organized on 26 August by the Alma-Ata City Committee of the Workers' Movement described the results of the economic and social policy of the government and administration of the capital after beginning market reforms as extremely negative. [passage omitted]

Incidentally, the rally gathered a small number of adherents of the Workers' Movement: in a hall with 800 seats in the former Political Education House, there were quite a few empty seats. A supposition was expressed; one of the reasons for this is the fact that the time of the start of the rally was set for the payment of wages at a number of industrial enterprises, which had previously been held up for some months.

Nazarbayev Asks Miners To Continue Production

OW3008160092 Moscow INTERFAX in English 1505 GMT 30 Aug 92

[Transmitted via KYODO]

[Text] Kazakh President Nursultan Nazarbayev has sent a telegram of greetings to the republic's coal miners on occasion of Miner's Day (August 30), in which he, in particular, points out that "in this period difficult for the republic" a fall in coal production "may have a negative effect on the general economic situation" in Kazakhstan.

He assures the miners that the government will do "everything within its power" to keep them employed and provide them with adequate social security.

Population Figures Released

LD2808184492 Alma-Ata Radio Alma-Ata World Service in English 2030 GMT 27 Aug 92

[Text] According to the latest statistic data the Kazakhstan population at (the) present moment is 17 million and among them 7,076,000 are Kazakhs or 42 percent of the whole population; 6,275,000 Russians or 37 percent;

890,000 or 5.2 percent of Ukrainians; 786,000 of Germans or 4.7 percent; 356,000 of Uzbeks or 2.1 percent; and 337,000 or 2 percent of Tatars. Ninety three percent of the Kazakhstan population fall to the share of these six

nationalities. I should remind you that the whole population of the republic consists of more than 100 nationalities and ethnic groups.

Tajikistan

Premier Relieved of Post at His Request

LD3108100692 Moscow ITAR-TASS World Service in Russian 0940 GMT 31 Aug 92

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 31 Aug (ITAR-TASS)—On 30 August, President of Tajikistan Rakhman Nabiyev signed a decree relieving Akbar Mirzoyev, at his request, from his position as the republic's premier.

Appointed Charge d'Affaires

LD3108111392 Dushanbe Radio Dushanbe Network in Tajik 1000 GMT 31 Aug 92

[Text] Rakhman Nabiyev, president of the Republic of Tajikistan has signed the following decree: To appoint Akbar Mirzoyev as the Republic of Tajikistan's charge d'affaires in the Federal Republic of Germany.

According to the decree, Akbar Mirzoyev was been relieved of his post of (?prime minister) of the Republic of Tajikistan in line with [words indistinct].

CIS Forces Head Shaposhnikov Arrives For Talks

Forces To Be Deployed

LD2808141392 Dushanbe Radio Dushanbe Network in Tajik 1200 GMT 28 Aug 92

[Text] Leaders of the Republic of Tajikistan have decided to deploy CIS military forces in areas where the political situation is tense. Agreements were signed in this regard during a meeting between President Rakhman Nabiyev and Air Marshal Yevgeniy Shaposhnikov, who is visiting Dushanbe at the personal invitation of President Rakhman Nabiyev.

Shaposhnikov Departs

LD2808141592 Moscow ITAR-TASS World Service in Russian 1245 GMT 28 Aug 92

[By KHOVAR news agency correspondent]

[Text] Dushanbe, 28 Aug, TASS —Air Marshal Yevgeniy Shaposhnikov, commander in chief of the CIS Joint Armed Forces, left Dushanbe this afternoon. He had been here at the invitation of Tajik President Rakhman Nabiyev.

During his two-day visit, Shaposhnikov was received by President Nabiyev. They discussed matters relating to the deployment in Tajikistan of a contingent of the Commonwealth countries' peacekeeping corps as buffer forces in the Republic's area of conflict.

He met the leaders of military bodies, with whom he discussed specific steps to strengthen the border troops, which have now come under the jurisdiction of Russia. Together with military observers, he flew along the southern border, which is giving rise to concern owing to frequent violations.

Interrupted Visit Causes Confusion

LD3008033692 Moscow Radio Rossii Network in Russian 0100 GMT 30 Aug 92

[Text] The visit to Dushanbe by Marshal Shaposhnikov, which was unexpectedly cut short, has evoked bewilderment not only among the leaders of the opposition parties and movements who were calculating on a meeting with the marshal, but also in the foreign minister and the chairmen of the parliamentary committees. The heads of the Tajikistan Cabinet of Ministers do not know anything about the results of the visit either, the NEGA agency reports.

Observers Received in 'Friendly Way'

LD3108090392 Moscow ITAR-TASS in English 0837 GMT 31 Aug 92

[By "Khovar" news agency for TASS]

[Text] Dushanbe August 31 TASS—A group of military observers currently staying in Tajikistan on a peacekeeping mission at the invitation of the republic's leadership do not interfere into internal affairs of the sovereign state, Lieutenant-General Oleg Shalimov, head of the observers' team, said in an interview to the Tajik "KHOVAR" news agency on Monday [31 August].

He said that military experts from Russia, Kazakhstan, Kyrgystan and chief commandment of CIS Joint Armed Forces are studying the situation in conflict areas, an extent of its danger to the Commonwealth of Independent States, and a possibility of disengaging the conflicting sides.

Shalimov pointed out that the military observers are conducting "no secret operations" in Tajikistan. The population of all trouble areas receives the observers in a friendly way, he added.

Nabiyev Signs Decree Opening New Embassies

OW2808193192 Moscow INTERFAX in English 1615 GMT 28 Aug 92

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—transmitted via KYODO]

[Text] President Nabiyev has passed the decree on opening Tajikistan's embassies in Afghanistan, Iran, Pakistan, Belgium, Saudi Arabia, China, Turkey, the US and Germany, and of a consulate-general in India.

Nabiyev has instructed the Cabinet to define the structure and staff of these diplomatic missions and to provide hard-currency for running them.

Official Comments on Shortage of Hard Currency

OW2808193692 Moscow INTERFAX in English 1615 GMT 28 Aug 92

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—transmitted via KYODO]

[Text] Nabiyev's economic adviser Rustam Mirzoyev [position as received] published an article which says that urgent measures should be taken to increase the state hard-currency reserve.

The author dwells in detail on the republic's exports and imports and says that the share of imports in foreign trade is unfavorably higher than that of exports. Most of the hard currency is gained by selling cotton and aluminum. However, Tajikistan has to spend as much or even more hard currency on purchasing non-organic chemical products and clothes. At the moment, 65 per cent of Tajikistan's hard currency is spent on importing these goods.

In conclusion Mirzoyev writes that the economy of his republic should be urgently re-oriented to the processing of cotton and aluminum.

Government Adopts Economic Normalization Measures

LD2808213292 Moscow ITAR-TASS in English 1433 GMT 28 Aug 92

[By KHOVAR-TASS]

[Text] Dushanbe August 28 TASS—The Tajik Cabinet of Ministers discussed additional measures to normalise the situation in the republic. It put into effect a resolution by the Tajik parliament on "political and socio-economic situation in the republic and measures for its normalisation", and a resolution by the republican disarmament staff on the disarmament of illegal armed formations and exempting of weapons from the population.

Tajik ministries, departments and regional authorities are to take resolute steps to carry out the programme of economic reforms, boost entrepreneurship, step up privatisation of trade and public service enterprises, minor and medium-size processing enterprises and create a competitive medium.

Concrete measures have been worked out to stem the exodus of the population, especially from southern regions, and ensure the return of refugees to their homes.

A competent commission was set up to promote the implementation of the programme of economic reforms to be carried out until 1996, which envisages the transfer of the whole Tajik economy to market relations.

Credit Agreement Signed With United States

LD3108101892 Moscow Programma Radio Odin Network in Russian 0730 GMT 31 Aug 92

[Text] An agreement with the United States granting $10 million in credit on favorable terms for a period of 30 years will substantially help improve the supply of foodstuffs to the population of Tajikistan. The republican Cabinet of Ministers reported that the entire credit will be used to acquire grain, receipt of which is expected in September or October.

Kurgan-Tyube Leaders Call For State of Emergency

LD2808223592 Dushanbe Radio Dushanbe Network in Tajik 1700 GMT 28 Aug 92

[Text] A broad session of the Kurgan-Tyube oblast Soviet of People's Deputies' Executive Committee was convened yesterday in Kurgan-Tyube city. The session was attended by leaders of local soviets and of the law enforcement bodies. Kurbonov, chairman of the Kurgan-Tyube oblast executive committee; Ahmadov, head of the Internal Affairs Department of the Kurgan-Tyube oblast executive committee; Sulaymonov, procurator of the oblast; Yarov, head of the National Security Committee in Kurgan-Tyube oblast; and Halimov, chairman of the oblast trade unions, spoke at the session.

The speakers expressed anxiety at the tense situation in the oblast and its center, the city of Kurgan-Tyube. It was noted that during the past 24 hours, unidentified persons killed two people in the center of the oblast. Participants of the session resolutely demanded that a state of emergency be declared in the city.

Broadcasts to Leninabad Oblast Banned

LD3108100992 Dushanbe Radio Dushanbe Network in Tajik 0800 GMT 31 Aug 92

[Text] In line with the decree of the executive committee of Leninabad Oblast [inhabited mostly by Uzbeks], the transmission of the Voice and Vision of Tajikistan programs has been banned on the territory of the oblast as of 31 August.

Uzbekistan

Karimov Promises 'Deideologized Market Economy'

OW2908154092 Moscow INTERFAX in English 1511 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] At a press conference in Tashkent today, several days before the first anniversary of Uzbekistan's independence (September 1), Uzbek President Islam Karimov reiterated that the republic would follow its way in building an open democratic society with a deideologized market economy. At the same time, he said Uzbekistan was only just beginning to create an

economic system which "cannot be built in 500 days." According to Karimov, Uzbekistan "completely rejects shock therapy" as a method of reforming the economy. Market reforms should be preceded by the creation of a good social security system for the more "vulnerable" section of society, the improvement of the infrastructure and the development of the priority industries. He emphasized that all this work should be done under constant state control. "There is no developed country in the world where the government takes no part in regulating the economy," he said.

Speaking about the international status of Uzbekistan, now recognized by 121 states, Karimov said the republic was going to strengthen rather than sever its relations with Russia. "Uzbekistan sees no future for itself without close links with Russia," the President said, stressing the stabilizing role Russia was playing in Central Asia owing to its prestige and power.

At the same time, Uzbekistan will give priority to strengthening its relations with its neighbors, both within the CIS and outside it. Its first embassies outside the CIS will be in Ankara and at the UN. Uzbekistan is seeking to join the Non-aligned Movement and the Asian Bank.

The President condemned those political forces which, at street meetings, were "trying to take advantage of the difficulties of the transitional period" to set up bodies of power alternative to legitimately elected ones. He promised to all political parties freedom to fight for power by parliamentary means. In connection with recent events in Tajikistan and Afghanistan, Karimov spoke of the danger of "creeping Islamic fundamentalism," saying that all attempts to introduce it in Uzbekistan were doomed to failure.

Karimov Discusses Independence, Housing, Trade

OW2808214992 Moscow INTERFAX in English 1616 GMT 28 Aug 92

["Exclusive interview" with President Islam Karimov by unidentified correspondent; place and date not given; prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—transmitted via KYODO]

[Text] IF [INTERFAX]: On September 1, Uzbekistan will celebrate the first anniversary of its independence. Which of this year's events deserve mention in this connection?

ISLAM KARIMOV: Although this year was vitally important for our future, I wouldn't paint the time from which we stepped into the epoch of independence in just one color. In it there were achievements and dramatic set-backs, truth and lies, hopes and disillusionment. On the threshold of our new history we told ourselves and the world: "We accept advice, but reject orders; we are open for friendship but do not accept the "elder brother's" instructions; we are ready to share our broad and shelter, but we'll handle our wealth on our own." By proclaiming independence, we have at last gained the right to read and evaluate our history anew and without any bias. We haven't crossed out anything. What happened did happen. We have revived the glorious chapters of great accomplishments and rescued many worthy names from obscurity. Our people's traditions and moral values have provided a solid foundation for democracy, political and economic plurality, and social justice. These principles have not only been proclaimed. They are being implemented.

IF: It looks like the leaders of Uzbekistan have put the main accent on the nation's social well-being....

ISLAM KARIMOV: That's right. Perhaps, soon you will be invited to a kind of national house-warming party. The entire state-apartment fund has been made the citizens' property: we started this large-scale privatization campaign from our homes. The terms of privatization are quite reasonable: a 3-room apartment costs the worth of a three months' salary. By the way, a million apartments will be privatized for free by large families, war veterans, those who worked in the Chernobyl clean-up, and individual categories of disabled people, teachers, medical workers and intellectuals.

At last, millions of our citizens will become the owners of their flats. I'm talking about all this in detail not so much because they are manifestations of social justice, but because people are receiving new incentives for efficient work and initiative without which life in a civilized market is unthinkable.

As entrepreneurship is developing, new social groups are emerging. But we shall see, however, that the social stratification of the population should not be too strong. And, most important, all citizens, whatever their ethnic origin and convictions, must have equal opportunities for self-assertion.

IF: To what extent do the principles of plurality apply to your political life?

ISLAM KARIMOV: Plurality is quite typical of our political life. There are 5 parties and movements in Uzbekistan. Although they play different roles in society, they enjoy equal opportunities. The most important thing is respect for the Constitution. All the laws and documents adopted by our state fully correspond to the principles of the United Nations of which Uzbekistan is a member, and to other international documents which we have signed.

International estimates of these facts attest to broad recognition of our state.

IF: How would you assess Uzbekistan's economic contacts with foreign countries?

ISLAM KARIMOV: For decades Uzbekistan was barred from foreign trade. We dealt with trade partners exclusively through the center, and our role was limited to that of a supplier of cotton, raw materials and semi-finished

products. Having assessed our potential properly, thousands of foreign companies decided to establish cooperation with us. We welcome all those who adhere to the principle of equitable partnership.

What is meant here is not cotton alone. We export aircraft and electronic equipment, and import processing equipment. This brings us economic benefits, creates new jobs and enhances the population's living standards. Our ultimate goal is prosperity and stability.

IF: Do you think there is anything that can upset this stability?

ISLAM KARIMOV: If there is any threat to our stability, it comes from outside. What I mean is not only our immediate neighbors. We are concerned about the situation in Dniester, Abkhazia and Karabakh. Can one watch impartially the events in Tajikistan? Uzbekistan does not intend to interfere in its neighbors' internal affairs. But we have every right to protect ourselves from external interference. Meanwhile, attempts are being made to impose on us the principles of Islamic state and national and religious exclusiveness.

We are determined to safeguard our sovereignty, our choice and our future, observing the principles of international law, and we are ready to play the role of a peace-loving state.

Have you seen our new national emblem? In the center of it there is neither the lion, nor the eagle, but the bird of happiness Semurg. May it always be with us and with all nations of the world.

Minister Fears Spread of Islamic Fundamentalism

OW3008135692 Moscow INTERFAX in English 1202 GMT 30 Aug 92

[Transmitted via KYODO]

[Text] Concerned about the development of events in neighboring Tajikistan on the border with Afghanistan, and about the possible growth of influence exerted by Islamic fundamentalism in the Central Asian republics of the former USSR, Uzbekistan has called for the participation of the world community in the efforts to resolve the conflict.

On Sunday [30 August], at a meeting with the director of the special political issues department of the UN Development Program Raymond Sommereinis in Tashkent, Uzbekistan's Foreign Minister Ubaidulla Abdurazzaqov said that his government is concerned over "the growing ethnic animosity, increasing flow of refugees and the transfer of arms from Iran and Afghanistan to Tajikistan." According to him, the conflict in Tajikistan "is fraught with danger not only for the peoples of Central Asia; its consequences might become unpredictable."

According to U. Abdurazzaqov, when signing documents on establishing diplomatic relations between Iran and Uzbekistan, he made a statement to warn Iran's diplomats in Uzbekistan against the endeavours to advocate Iranian fundamentalism locally. Otherwise, he said, relations between Uzbekistan and Iran will not develop. Uzbekistan, its foreign minister pointed out, continues to build a state where "law and human rights will be sacred."

The UN delegation agreed to open its mission in Tashkent in October. It proclaimed its intention to give aid in promoting reforms in Uzbekistan, and coordinate foreign aid to the republic.

Harvest Completed; Higher Yield Than Expected

OW2908134292 Moscow INTERFAX in English 1208 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] Uzbekistan has completed its grain harvesting, producing 1.3 mn. [million] metric tonnes of grain (wheat and barley) on 844,000 ha., or 400,000 metric tonnes more than last year and 100,000 tonnes more than expected.

New System of Wages, Pensions Introduced

LD2808140192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 28 Aug 92

[From the "Novosti" newscast]

[Text] As of 1 September, a comprehensive system of wage and pension differentials, depending on the work record and achievements of its citizens, will be introduced in Uzbekistan. By decree of President Karimov, wages of the staff of budget-funded branches have been increased by 25 percent.

Erk Party Denies Preparing Anti-Government Acts

OW2808194792 Moscow INTERFAX in English 1642 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] Muhammad Solikh, leader of the oppositional democratic party Erk, told an INTERFAX correspondent that rumours of alleged preparations for anti-government demonstrations to be held September 1, Independence Day, on Tashkent's central square were "provocational and unbased". "It was to someone's advantage to aggravate dissension and sow seeds of discord among the people", Mr. Solikh said.

Armenia

Karabakh Warns Baku About Airspace Violations

NC2808112992 Yerevan SNARK in English 1016 GMT 28 Aug 92

[Text] Stepanakert, 28 August (SNARK)—Today the press-centre of the Karabakh Supreme Soviet is authorized to state that any violation of the Karabakh air space will be considered by the Karabakh authorities as potential threat to the life and security of its population. There will be taken all the measures to prevent further violations of the air space. The Karabakh Government had to make such a declaration because of non-stopping barbarous bombings of Stepanakert and other settlements of Republic, entailed death and destructions. These actions of Azerbaijan have only one aim—to exterminate the civilian population of the Republic of Nagorno-Karabakh.

Foreign Minister Urges Karabakh Role in Talks

LD2808211192 Moscow ITAR-TASS in English 2030 GMT 28 Aug 92

[BY ITAR-TASS correspondent]

[Text] Moscow August 28 TASS—"We are laying down a foundation for the peaceful solution of the Karabakh problem," said Armenian Foreign Minister Raffi Hovannisian, commenting on the Alma-Ata negotiations of foreign ministers from Armenia, Azerbaijan and Kazakhstan.

The minister told today's news conference in the Armenian permanent representation in Moscow there can be no real settlement without the participation of representatives of the legitimately elected Karabakh authorities in the negotiations process. All previous mediating missions were a failure because of their absence.

The minister estimated the Armenian attitude to the Alma-Ata agreements as a reserved optimism. The Armenian side is concerned over Azeri President Abulfaz Elchibey's refusal in response to Kazakh President Nursultan Nazarbayev's request to stop the use of heavy materiel and aviation till September 1.

Another Armenian concern is that despite the previously reached agreement, under which Armenia resumed the electricity supply to Nakhichevan on August 21, Azerbaijan did not remove the railway blockade of Armenia on August 26.

Azerbaijan Said To Continue Combat Operations

LD2808135192 Moscow ITAR-TASS in English 1309 GMT 28 Aug 92

[By ARMENPRESS correspondent Boris Kiufaryan]

[Text] Yerevan, 28 Aug (TASS)— Azerbaijan's army continues combat operations in the Mardakertskiy region despite the fact that Nagorno-Karabakh and Armenia supported the initiative of a 60-day truce put forward by the chairman of the CSCE conference on Nagorno-Karabakh in Minsk Mario Rafaelli, the KARABAKH news agency reported on Friday [28 August].

Since early morning on Friday the Azeri army has been attacking the Armenian villages of Arutyunagomer and Drmbon and the Greek-populated village of Mekhmana.

The assaulters are suffering serious losses and two Armenians were killed in the attacks.

It was reported that Azeri artillery was making repeated attempts to shell the Lachinskiy corridor through which the humanitarian aid, medicines and food are being delivered to Stepanakert, where tens of thousands of refugees have arrived from war-torn Karabakh areas.

According to reports from Nagorno-Karabakh self-defence forces headquarters, over the past three months Azerbaijan had lost no less than three thousand servicemen and about 100 units of tanks and military hardware.

However, Azerbaijan deliberately reduces or conceals the figures from the population, the same source said.

Statement on Countrymen's Security in Georgia

LD2808161192 Moscow ITAR-TASS World Service in Russian 1433 GMT 28 Aug 92

[By ARMENPRESS correspondent Boris Kyufaryan for TASS]

[Text] Yerevan, 28 Aug—The Armenian Foreign Ministry today sent a statement to the Georgian Foreign Ministry in connection with recent events in Abkhazia during which there have been instances of violence against Armenians living there. It expressed regret that there are dead and wounded among the 100,000-strong Armenian population, while the number of families leaving their homes is on the increase.

The statement from the Armenian Foreign Ministry draws attention to the fact that certain circles operating outside both friendly republics have a staunch committment to making traditional relations between Armenia and Georgia deteriorate, using any provocations to undermine the trust and mutual understanding between the two states.

Recognizing all the complexities of the situation in Georgia, says the statement, the Armenian Foreign Ministry requests nonetheless that immediate measures be taken to stop instances of discrimination against the Armenian population in Abkhazia.

Delegation Heads for Tbilisi

LD3008000192 Moscow ITAR-TASS World Service in Russian 2245 GMT 29 Aug 92

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 30 Aug—A delegation from the Armenian Supreme Soviet left for Tbilisi on 29 August. The group will also visit Sukhumi in order to examine the situation on the spot. The ITAR-TASS correspondent was informed at the press center of the republican parliament that the delegation, made up of deputies from various political forces, will meet the Georgian and Abkhaz leadership, as well as representatives of Armenian communities in these republics.

On 29 August, the Armenian parliamentary delegation already had a meeting with Aleksandr Kavsadze, chairman of the Georgian committee on interethnic relations and defense of human rights. It was reported that the meeting proceeded in an atmosphere of mutual understanding.

The Armenian Supreme Soviet Presidium made a statement the previous day expressing deep concern over "the escalation of armed clashes and violence towards the civilian population in Abkhazia," and conveying condolences to relatives of those who died during the conflict. The leadership of the Armenian parliament said that bitter experience has shown that instead of solving political problems, armed confrontation has led to bloodshed and the expulsion of civilian population.

The document states further that the Armenian people are dismayed and concerned by reports of acts of violence towards Armenian civilians in Abkhazia. People in Armenia believe that such actions worsen the already complicated interethnic situation in the Trans-Caucasus and reduce the possibility of establishing peace and a peaceful existence for the people of the region.

The Armenian Supreme Soviet Presidium expressed hope that the warring sides will refrain from using military force and will find a way to settle the existing problems through political means.

Ter-Petrosyan Exposes Grain 'Speculators'

OW2808165092 Moscow INTERFAX in English 1611 GMT 28 Aug 92

[Report by Andrey Pershin, Andrey Petrovsky, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—transmitted via KYODO]

[Text] President Levon Ter-Petrosyan said at a government session that he has information that "some of the flour intended for the bread industry is being removed from bakeries and falling into the hands of speculators". (The president's press service told "IF" [INTERFAX] that the session was organized in view of tendencies toward deterioration in the supply of bread and baked goods to the population - IF).

The government head reported on the results of spot checks made by authorized Armenian organs which showed: for capital residents bread is scarce in spite of the fact that 450 tons of bread are baked in Yerevan daily (which meets the city's requirements).

Parliamentary Speaker Babken Ararktsyan criticized the Ministry of Foodstuffs which had promised to correct the bread crisis when it began in February "but hasn't made any moves", pointing to "objective difficulties" in this area. The chairman of the Parliament said the ministry's behaviour is "deliberate inaction" and warned that if the situation does not change in the next few days he will consider convening a special parliamentary session.

Ter-Petrosyan promised that those guilty of creating the "bread crisis" will be held legally responsible.

"IF" NOTE: As a result of the government session a round-the-clock guard was organized at bakeries by officials from the Ministry of Internal Affairs and other government departments as well as parliamentary deputies.

Further on PRC Delegation's Visit, Grain Deal

NC2908144292 Yerevan Armenia's Radio First Program Network in Armenian 1400 GMT 28 Aug 92

[Text] Chinese Light Industry Minister Zeng Xianlin, the head of a PRC delegation that paid a three-day visit to Armenia, made the following statement before departing: I believe in Armenia's future.

On the last day of his visit, Zeng visited the Armenian Ministry of Foodstuff Procurements. Grain Products Minister Rafael Shahbazian briefed the guests on his ministry's activities and the difficulties being experienced in grain production, which are partly due to the recent events in Abkhazia. He noted with satisfaction that China has allocated a substantial credit to Armenia for grain purchases. Armenia is planning to purchase 50,000 tonnes of grain, which should considerably help Armenia's bread production. He asked his Chinese colleague to speed up the dispatch of the first batch of grain.

Zeng promised to do all he can to expedite the operation.

Deputy Foodstuffs Minister Grigoryan met with the visiting delegation to discuss cooperation. Following the talks, Zeng said: Our visit to Armenia was short but productive. We are sure that the talented Armenian people will overcome their current difficulties. We will do everything to [words indistinct].

Azerbaijan

Gasymov Says Kazakhstan 'Guarantor' of Peace

LD3108121692 Moscow Russian Television Network in Russian 1000 GMT 31 Aug 92

[From the "Vesti" newscast]

[Text] Azerbaijan regards Kazakhstan as a guarantor of a peace settlement in Karabakh. This has been stated by Azerbaijan's Foreign Minister Tofik Gasymov who, as

we know, had a meeting with his Armenian colleague, mediated by President Nazarbayev. Agreement was reached on ending all hostilities in Karabakh as of 1 September.

Kazakh Mediation 'Auxiliary Element'

OW3008154992 Moscow INTERFAX in English 1504 GMT 30 Aug 92

[Transmitted via KYODO]

[Text] In an interview with IF [INTERFAX], Azeri Foreign Minister Tofik Gasymov said Azerbaijan regarded Kazakhstan's mediation in the settlement of the Nagorno-Karabakh conflict as an "auxiliary element" in, rather than as an alternative to, the CSCE settlement scheme. He expressed the hope that Kazakhstan's efforts would be a success.

In Gasymov's opinion the CSCE should delegate observers to guarantee that the terms of the agreement are kept to. The first group of observers should be Kazakh citizens, he thinks.

Elchibey Wants Cease-Fire Along Border First

LD3008152192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1445 GMT 30 Aug 92

["Novosti" newscast video report by Pavel Ogorodnikov]

[Text] Speaking on republican television, Azerbaijani President Elchibey has declared that the agreement on a cease-fire reached in Alma-Ata should come into force first and foremost along the Armenia-Azerbaijan border. Elchibey stressed that the agreement itself had been possible only after Baku had been given a guarantee of non-interference in the republic's internal affairs.

President Issues Decree on Border Control

NC2808153392 Baku TURAN in English 1115 GMT 28 Aug 92

[Text] Baku, 28/08/92. (TURAN)—The president of Azerbaijan issued an edict on strengthening the system of the state border's protection.

The edict presents a package of measures to strengthen protection of land, air and water boundaries of the republic in accordance with standards of international law.

Proceeding from the bill on state borders of the republic of Azerbaijan, the edict orders to create under admission posts detachments for protection of borders, frontier control posts, custom house establishments, medical-quarantinery, veterinary and phytosanitary [as received] stations.

Cabinet of Ministers and a number of the Azeri departments were ordered to prepare in a ten day-term legal documents, regulating frontier regime in the republic.

The Foreign Ministry of Azerbaijan was commissioned to start negotiations with adjacent states to work out frontier treaties.

Ministry Updates Nagorno-Karabakh Situation

NC2808185992 Baku Radio Baku Network in Azeri 1700 GMT 28 Aug 92

[Text] The Azerbaijani Defense Ministry's Analytical Information Center has issued the following disclosure:

The Azerbaijani Armed Forces continue to ward off enemy attacks and continue their combat operations. The Azerbaijani units in Agdamskiy Rayon cleared [word indistinct] from the enemy last night. A grouping of Armenian artillery units was disabled near Chldran last night. Violent clashes took place in the direction of Aliagaly [words indistinct], Gyulyatag, Mekhmana, [word indistinct], and Chldran today. A large number of enemy troops [words indistinct] and a tank were destroyed. Meanwhile, seven of our fighters, including battalion commander Allakhverdy Kamberov, heroically died and 21 others were wounded in the clashes. Azerbaijani units in Fizulinskiy Rayon have destroyed a Zenith rocket launcher near the former Gadrutskiy Rayon.

Another Armenian convoy was stopped from crossing the Lachin corridor last night. Meanwhile, the Azeri people in Lachinskiy and Kubatlinskiy Rayons were hit with artillery fire from Armenia's Gorisskiy and Kapanskiy Rayons. Gadzhyly in Tauzskiy Rayon was fired on from [word indistinct] today. One of our fighters was wounded. [Words indistinct] in Zangelanskiy Rayon were intensively shelled from Armenia's Kapanskiy Rayon with Grad rocket launchers, tanks, and artillery this afternoon. The fire was returned and an enemy tank was destroyed. Sadarak in the Nakhichevan Autonomous Republic was also fired on from time to time today. One of our fighters was wounded.

The situation in Kazakhskiy, Akstafa, Kedabekskiy, Kubatlinskiy, and Dzhebrailskiy Rayons has been relatively peaceful.

'Military Base' Captured

OW2908135892 Moscow INTERFAX in English 1205 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] According to the Azeri Defense Ministry, Saturday [29 August] morning the Azeri forces liberated the village of Archinogomer, which Armenia had occupied and turned into a "major military base." In the course of the fighting the Azeri forces destroyed 2 tanks, 2 APCs [armored personnel carriers] and 4 artillery pieces and destroyed an ammunition dump.

The ministry says that during the previous night, fighting in Nagorno-Karabakh continued. In the course of the fighting the Azeri forces disabled 13 artillery systems of the enemy. At night the towns of Agdam and Fizuli were

subjected to missile fire, leading to destruction of houses and injuries. The shelling of the two towns over the last 24 hours killed 11 locals and wounded around 30.

According to the Karabakh news agency Kan, the Azeri forces subjected villages in Mardakert and Martuni districts of Nagorno-Karabakh to continuous shelling, killing 1 and wounding 2 locals and destroying 17 houses.

An unexpected attack by an Armenian guerrilla unit in the Shaumyan region of Nagorno-Karabakh on Friday [28 August] turned to flight the Azeri garrison in the Armenian village of Gyulistan, killing 6 Azeris. The Armenians reported no losses.

Armenian Offensive Halted

NC3008202892 Baku Radio Baku Network in Azeri 1700 GMT 30 Aug 92

[Text] The Azerbaijani Defense Ministry's Analytical Information Center has issued the following disclosure:

Armed Armenian units launched attacks yesterday on (Gyuladiz), Saf'yan, Yukhary (Saradzhan), Ashagy (Saradzhan), and [word indistinct] in Lachinskiy Rayon, areas controlled by the Azerbaijan National Army. The attack, which was preceded by intense artillery shelling, was aimed at providing safe passage for the transportation of military vehicles and combat equipment from Armenia to Karabakh. Chldran in Kubatlinskiy Rayon was shelled with artillery from Shurnukh in Armenia's Gorisskiy Rayon at the same time. Our fighters shelled the enemy units with artillery guns and halted their advance. In addition, our infantry units counterattacked and forced the enemy to retreat. Our armed units are reinforcing the positions they held earlier.

Clashes are currently taking place for strategically important positions in Agdere [Mardakertskiy] Rayon. The armed units in Agdamskiy Rayon advanced several km in the direction of Mekhmana this morning. Meanwhile, Abdal and Gyulably in Agdamskiy Rayon were fired on from Mekhmana today. The fire was returned, and a loaded Kamaz vehicle was destroyed near Norashen. The situation in Nakhichevanik and Pirdzhamal was relatively peaceful.

The Armenians attacked the Kazanchi locality near Agdam in Tauzskiy Rayon last night. The attack was warded off. Three armed Armenians were killed. There were no casualties on our side.

(Medzhan) in Kazakhskiy Rayon; the border posts in Akstafa Rayon; [words indistinct] and Mormor in Kedabekskiy Rayon; Sadarak in the Nakhichevan Autonomous Republic; and the defense posts in Sharurskiy Rayon were fired on last night. Two of our fighters were slightly wounded in Sadarak. The enemy fire was returned in all directions.

The situation in Zangelanskiy, Dzhebrailskiy, and Fizulinskiy Rayons has been relatively peaceful.

Government Guarantees 'No Threat of Hunger'

OW2808165692 Moscow INTERFAX in English 1610 GMT 28 Aug 92

[Report by Andrey Pershin, Andrey Petrovsky, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—transmitted via KYODO]

[Text] "There is no threat of hunger in Azerbaijan", First Vice Prime Minister Vakhid Akhmedov told "IF" [INTERFAX]. Akhmedov said the government has to a certain extent managed to surmount the food crisis: the nation has enough reserves of grain, meat, butter, sugar, and other foodstuffs to carry through to the end of the year. The vice prime minister said that introducing a national currency to circulate with the ruble will enable the republic to pay back salaries, which currently amount to nearly 3 bn [billion] rubles, by the end of the year. "The Azerbaijani manat does not face the lot of the Ukrainian coupons", Akhmedov said.

Akhmedov said the national stabilization fund created for the manat from dollar revenues, gold reserves and commodity backing provides reliable "insurance" for the Azerbaijani monetary unit. The vice prime minister said the nation is actively working to develop these three sources, thus President Elchibey signed a decree two months ago to form the national treasury.

The government was forced to race the clock, Akhmedov said. "It is difficult to regain control over resources in the 2-3 months allotted us", he noted. Moreover, "the leaders of certain branches of the economy are squandering government property". The deputy head of government is counting on a presidential decree establishing a government monopoly on the export of strategic product to put an end to the uncontrolled export of national resources from the country.

"IF" NOTE: An unlimited non-interest bearing credit of 50 mn [million] rubles was allocated by an order of the Cabinet of Ministers to the national treasury for the purchase of precious metals, stones, and jewelry items. The government press center told "IF" that this step is an effort to prevent the removal of valuables from the nation via the black market. The Azerbaijani customs committee said that in the first half of 1992 manufacturing firms and economic organizations exported 640 mn hard currency rubles worth of goods through barter deals, costing the government 480 mn hard currency rubles. Among the most popular of such "exports" are: oil, cotton, aluminum, ferrous and non-ferrous metals, refrigerators and air conditioners.

Georgia

Reportage Highlights Developments in Abkhazia

Shevardnadze Asks Adygeya To Broker Talks

LD2808113692 Moscow ITAR-TASS in English 1104 GMT 28 Aug 92

[By ITAR-TASS correspondent Viktor Zhelyakov]

[Text] Maykop (Republic of Adygeya, northern Caucasus) August 28 TASS—Georgian leader Eduard Shevardnadze asked Aslan Dzharimov, president of the Republic of Adygeya within Russia, to help arrange a meeting with Vladislav Ardzinba, speaker of the Abkhazian Government.

In a telephone conversation late on Thursday [27 August] Dzharimov promised to assist.

Shevardnadze proposed to hold the meeting in Krasnodar region of Russia in the coming days.

Enlistment of volunteers from among Caucasian highlanders for dispatchment to Abkhazia was suspended in Maykop, as a political settlement of the Georgian-Abkhazian conflict is now supported here.

Adygeya, populated by ethnic kin of Abkhazians, was the first republic to send volunteers there.

No Agreement at Adler Talks

LD2808165392 Moscow Mayak Radio Network in Russian 1313 GMT 28 Aug 92

[Text] The situation in Abkhazia is generally fairly stable—apart from local exchanges of fire taking place in Esheri, a suburb of Sukhumi, where the sides are trying to gain ground from each other.

As you know, a meeting was held in Adler on 27 August between Napoleon Meskhiya, a representative of the "Democratic Abkhazia" group of deputies, and Konstantin Ozgon, member of the Presidium of the Abkhaz Supreme Soviet. They discussed ways of resolving the Georgian-Abkhaz conflict. Some details of these talks in Adler emerged today. The meeting was held in private and lasted four hours. Both before and after the meeting the parliamentarians refused to meet with journalists, preferring not to make any statements on the results of the meeting. Nevertheless, it has emerged that the sides again put forward their demands at the talks, but failed to reach a consensus. The only thing which the sides managed to agree on was an exchange of POW's. One hundred Abkhaz prisoners will be exchanged for a similar number of Georgian civilians who are being held hostage by the Abkhazians.

Although talks are scheduled to be held on 3 September in order to find a peaceful solution to the Georgian-Abkhaz conflict, the Georgian side does not rule out the possibility that these talks could be wrecked by destructive forces in Abkhazia. So, to reinforce the positions of government forces in this region, it has sent detachments of the paramilitary Mkhedrioni grouping to the area.

In this respect it would be interesting to learn the opinion of the Mkhedrioni leader, Dzhaba Ioseliani, who is deputy chairman of the Georgian State Council, on the present situation in Abkhazia. Today the IPRINDA correspondent managed to interview Ioseliani, who noted that, in spite of everything, he is still hopeful that a peaceful solution to the conflict can be found. Ioseliani believes that the talks will definitely take place. However, he stressed, irrespective of how events develop in future, he and the troops subordinate to him intend to fight mercilessly against all kinds of sabotage and terror groups composed of so-called volunteers from the north Caucasus. In his view, these people have absolutely no right to interfere in Georgia's internal affairs.

Today, 28 August, a fairly large group of Mkhedrioni were transferred to the town of Gagra to reinforce the positions of government forces. Apart from that, the Mkhedrioni are assuming responsibility for surveillance of mountain tracks linking Georgia with the north Caucasus, so as to block all routes by which terrorist groups could infiltrate the republic's territory.

Attack on Red Cross Workers Condemned

OW2808200692 Moscow INTERFAX in English 1924 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] Chairman of the Georgian State Council Eduard Shevardnadze has described the incident in the Zugdidi region as "an unprecedented in the world practice act of violence against people moving under the Red Cross flag". A group of unidentified people attacked there representatives of the International Red Cross Organization who were carrying out a humanitarian mission in Georgia.

In a letter to President of the International Red Cross Committee Cornelio Sommaruga Eduard Shevardnadze notes that the incident "insults the Georgian people's human and national dignity, ancient traditions of hospitality and nobility, as well as the aspiration to repay one good for another".

Shevardnadze assured Sommaruga that the Georgian leadership will do its best to punish those responsible.

Ministry Denies Role in Vessel Attack

OW2808200392 Moscow INTERFAX in English 1925 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] The Georgian Defense Ministry qualifies as another provocation the attack Thursday [27 August] at a "Kometa" passenger hydro-plane vessel carrying passengers from Batumi to Sochi. As a result of an air assault perpetrated by an unidentified Mi-6 attack helicopter, 14 passengers aboard the "Kometa" were wounded, the statement of the Georgian Defense Ministry reads.

In the meantime, the Georgian Defense Ministry charged the services of the Russian air defense troops deployed in the republic with a "subjective and biased approach to the defense of the Georgian air space" which mission is vested in them. According to the defense ministry report, the local air defense capabilities did not

have any information of the occurrence, "saying nothing about taking any effective steps for precluding such incidents and prosecuting the persons responsible for it". The Georgian Defense Ministry regards such a situation as "ultimately unacceptable".

On the basis of this, the Georgian Defense Ministry has lodged a strong protest to and demanded that the air defense command "take strict measures to insure military discipline and complete safety of the Georgian air space".

In an interview to INTERFAX, the chief of Georgia's department of civil aviation, Zurab Chankotadze, denied all accusations of the Georgian side of air piracy in relation to this incident and proposed to conduct a special investigation into the occurrence. In the words of Mr. Chankotadze, neither the department headed by him nor the Georgian Air Force have a single Mi-6 helicopter in their inventories.

Besides, he noted, the investigation has already established that during the tragedy in the air space there were no Georgian helicopters in the zone of the incident.

Abkhazia Proposes Cease-Fire 28 Aug

LD2808164192 Moscow Russian Television Network in Russian 1600 GMT 28 Aug 92

[From the "Vesti" newscast]

[Text] Shortly before we came on the air, the Abkhazian parliamentary press service announced that the parliament and Ardzinba, its head, have adopted a declaration on their willingness to cease firing at midnight tonight.

Georgia Rejects Cease-Fire Proposal

LD2908101192 Moscow Radio Rossii Network in Russian 0900 GMT 29 Aug 92

[Text] As INTERFAX was told by the press service of the Supreme Soviet of Abkhazia, the proposal of the Abkhazian side to start a cease-fire from midnight on 28 August was not accepted by the Georgian side. According to the press center, last night a number of Abkhazian villages came under fire from the Georgian forces. There are dead and wounded.

In response to a report on Georgian TV that over 100 people from the ranks of the North Caucasian volunteers have been taken prisoner, the headquarters of the Abkhazian formations said there were only five volunteers on the lists of those reported missing and apparently they are being held captive.

On Saturday [29 August] night exchanges of fire continued on the local level in the area of Gagry. As morning approached, Georgian troops began to concentrate near the railway station. Fighting is currently taking place there.

Situation Updated

OW2908153292 Moscow INTERFAX in English 1510 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] At today's meeting of the Georgian State Council in Tbilisi, Prime Minister Tengiz Sigua said four Georgian servicemen had been killed and several wounded in the skirmishes in the vicinity of the Abkhazian villages of Gantiadi and Kolkhida. It was pointed out at the meeting that "the ceasefire agreement between the commands of the Abkhazian guards and the Georgian forces has been violated." State Council Chairman Eduard Shevardnadze said at the meeting, "We shall make an investigation, and, if we know for certain that Abkhazia is to blame for this, we shall be forced to introduce martial law. This is a very difficult decision to make but we shall be forced to make it." He called upon the Abkhazian government to return to Sukhumi as soon as possible and try, jointly with the provisional committee controlling the city at present, to restore normal life in the capital and the autonomous republic as a whole.

Before discussion started on the forthcoming parliamentary election in Georgia, Shevardnadze said that at present he opposed the introduction of presidency in Georgia. In his opinion, what the republic needs at this moment is "parliamentary rule with strong executive bodies of power." [Moscow ITAR-TASS in English at 1423 GMT on 29 August reports: "Last night was relatively calm in Sukhumi. An operation to free the Achadara settlement of the Sukhumi region from armed groups involved in pillage and arson of houses was held today, sources at the units command and the Georgian armed forces headquarters in Sukhumi have reported. Two servicemen of the Georgian National Guard were wounded. The headquarters believe the operation was on the whole a success.

["The Political Council of the International Democratic Reforms Movement has called on Chairman of the Georgian State Council Eduard Shevardnadze 'to use his authority and influence to stop the bloodshed in Abkhazia and begin a dialogue'.

["A document adopted at today's meeting of the Political Council says the Movement calls on Shevardnadze as 'a co-chairman of the International Democratic Reforms Movement and the initiator of the human movement'.

["A discussion planned by the meeting organizers to enable both sides to the conflict express their stand was not held as only Abkhazian representatives arrived to attend it. Staffers of the Georgian representation were not present although were repeatedly invited to the political council meeting.

["'Yesterday's Abkhazian leaders have lost the sense of reality and threw Abkhazia into a nightmare of bloody fratricidal conflict that has lead to numerous victims and

devastations,' says today's appeal of the Sukhumi society to all residents of the republican capital.

["The society includes representatives of various nationalities living in the city—Georgians, Abkhazs, Armenians, Russians, Greeks and others.

["The document called on city residents 'to fulfill their duty before compatriots, the near and dear ones'. This duty 'means the use of all strength, talent and mastery to restore the devastated city economy, which has been robbed and damaged by modern barbarians who live near us and have shown their ability to use the sorrow of their neighbour for their benefit and profit under these extreme conditions'".]

Russia Mediates Talks To End Fighting 31 Aug

LD2908162292 Moscow Programma Radio Odin Network in Russian 1500 GMT 29 Aug 92

[Text] A meeting between delegations from Russia, Georgia, and Abkhazia has been held in Sochi devoted to finding a way of settling the conflict in the republic. This is what was reported by telephone by Marina Ryklina, an official of the press service of the Russian State Committee for Civil Defense, Emergencies, and the Elimination of Natural Disasters.

[Ryklina] The sides refused to hold talks at the same table, and they held talks through the mediation of committee chairman Sergey Shoygu. During the meeting, which was held in a businesslike atmosphere, a protocol was signed which sets out a number of important accords. The sides expressed adherence to a peaceful path of settling the conflict, and they agreed to end all hostilities and movements of armed units from 31 August.

The Georgian and Abkhaz sides undertook urgently to hand over to each other the wounded, the hostages, and captives they had seized, and to hand over without any preliminary conditions the bodies of the dead. The Russian Federation undertook to render humanitarian aid to the victims of the conflict and confirmed its readiness to continue mediation efforts in settling the conflict. An accord also was reached to establish the operation of transport and to ensure uninterrupted communications between the sides. Those taking part in the consultations confirmed that they attach exclusively great significance to the upcoming meeting in Moscow on 3 September.

The protocol was signed on the Georgian side by Tengiz Kitovani, member of the State Council and Georgian defense minister; on the Abkhaz side by Ardzinba, chairman of the Supreme Soviet of the Republic of Abkhazia; and on the Russian side by Sergey Shoygu, chairman of the Committee for Emergencies.

Kitovani Assesses Sochi Peace Accords

LD2908221592 Moscow ITAR-TASS World Service in Russian 2040 GMT 29 Aug 92

[By ITAR-TASS correspondent Tengiz Pachkoriya]

[Text] Sukhumi, 30 Aug—"An important step toward settling the conflict in Abkhazia" was the assessment given by Georgian Defense Minister Tengiz Kitovani to the agreements reached in Sochi on 29 August. He returned to Sukhumi from the meeting between the Russian, Georgian, and Abkhaz delegations, devoted to a settlement of the conflict in Abkhazia.

In a conversation with an ITAR-TASS correspondent, Tengiz Kitovani added that the meeting in Sochi also discussed the question of creating peacemaking Russo-Georgian forces in the future which would establish control over [kontrolirovat] and guard communications on the territory of Abkhazia, namely the motor highway, railway, and sea transport and so on. The Georgian defense minister did not exclude the possibility that another interested side, Armenia, might participate in guarding and controlling communications in Abkhazia. Armenia has suffered considerably from the fact that railway bridges on the territory of Abkhazia and Mengrelia have been destroyed on several occasions this year.

'Powerful Offensive' Launched Against Gagra

OW3008154192 Moscow INTERFAX in English 1503 GMT 30 Aug 92

[Transmitted via KYODO]

[Text] The press service of the Abkhazian parliament reports from Gudauta that a Georgian force of some 1,000 men and about 10 tanks launched a powerful offensive around 2:00 P.M. in the vicinity of the town of Gagra.

No killed have so far been reported, but 16 wounded have been brought to the Gudauta hospital.

According to Abkhazian sources, the Abkhazian militia has destroyed one Georgian tank.

The press service also claims that Abkhazian militiamen have captured a military communications vehicle in Gagra with a Latvian registration number carrying a load of Polish-made machine-gun cartridges.

The commandant of Sukhumi, Gia Gulua, has confirmed the reports about the Georgian offensive. This, he said, was a counteroffensive launched after the Georgians had rebuffed an Abkhazian attack on Sukhumi, in which, according to him, some 1,000 men had taken part, about 700 of whom were volunteers from the Confederation of Caucasian Peoples.

Russian Warship Said To Shell Gagra

LD3008164192 Moscow Russian Television Network in Russian 1600 GMT 30 Aug 92

[From the "Vesti" newscast]

[Text] According to a report from the press service of the Abkhaz Parliament, a massive attack by the forces of the Georgian State Council began today from the town of Gagra. This information is also confirmed by INTER-FAX. Casualty figures have not come in yet.

The Georgian permanent mission in Moscow has not yet confirmed this information, but we were informed that a Russian warship allegedly shelled the Georgian guards' positions in Gagra this afternoon. According to the permanent mission there are numerous fatalities and much destruction.

Russia Denies Involvement in Attack

LD3008175392 Moscow ITAR-TASS World Service in Russian 1724 GMT 30 Aug 92

[By ITAR-TASS correspondents Igor Serebryakov and Andrey Yarushin]

[Text] Moscow, 30 Aug—An armed clash occurred near the town of Gagra today between Abkhaz armed formations supported by the Home Guard from the North Caucasian Republic and Georgian troops. During the fighting, Georgian troops were unexpectedly shot at from the sea by an unidentified ship that made off afterward in the direction of Sochi. This was reported over the telephone to an ITAR-TASS correspondent by Georgian Defense Minister Tengiz Kitovani. According to him, he received this information from the military commandant of the town of Gagra.

According to a report by Georgiy Volskiy, deputy permanent representative of Georgia in Moscow, at around 1840 today a ship "shelled the area where the Georgian Guard were deployed in Gagra. There are numerous casualties among the personnel, and there are also casualties and damage in residential regions." In the report conveyed from the permanent mission to ITAR-TASS by fax, Georgiy Volskiy, citing the Georgian Defense Ministry Headquarters, maintains that it was a Russian naval ship. These assertions were disseminated by a number of the mass media this evening, which cited the Georgian permanent mission in Moscow.

However, a duty operations officer of the Russian Naval Forces staff stated categorically that "there are no Russian Federation warships in the Gagra area" and described the report as "crude disinformation." A duty officer at the Central Command Post of the Russian Armed Forces General Staff voiced the same opinion to the ITAR-TASS correspondent today. This is the second time in the last week that unidentified military equipment has been reported in the area of the armed clashes in Abkhazia. On 27 August it was reported that an unknown military helicopter had shelled a Kometa hydrofoil passenger ship in Georgia's territorial waters, causing casualties.

Emergency Meeting Called for 31 Aug

LD3008210592 Moscow ITAR-TASS World Service in Russian 2045 GMT 30 Aug 92

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi, 31 Aug—Today [31 August], at 1500 Moscow time, the Georgian State Council will hold an extraordinary emergency meeting. The agenda of the meeting has not been disclosed but presumably the Abkhaz conflict is going to be discussed. This subject has been at the center of attention for the State Council since 14 August, when government troops were introduced to the autonomous republic.

Shevardnadze Guarantees Leaders' Safety

LD3108080892 Moscow Radio Rossii Network in Russian 0700 GMT 31 Aug 92

[Text] Addressing a session of the Georgian State Council on 30 August, Eduard Shevardnadze said he had sent a message to the members of the Abkhazian leadership in Gudauta, requesting that the parliament be convened with full participation by Georgian and Abkhaz deputies in order to avert further bloodshed. Shevardnadze stated that if the government of Abkhazia is returned to Sukhumi, he guarantees that no forcible actions will be taken against the leaders of the Republic. The chairman of the State Council is putting great hope in the Russian-Georgian-Abkhazian meeting planned for 3 September.

Cease-Fire Reportedly Takes Effect

LD3108120892 Moscow Mayak Radio Network in Russian 1100 GMT 31 Aug 92

[Text] The RIA agency reports that the trilateral agreement on a cease-fire in Abkhazia came into force at 0000 today. This was stated at a press conference in Sochi by Sergey Shoygu, the Russian Government's authorized representative for the holding of consultations to settle the Georgian-Abkhaz conflict. He said Russia is fully carrying out its obLigations.

Situation 'Explosive' Despite Cease-Fire

LD3108131192 Moscow Radio Rossii Network in Russian 1200 GMT 31 Aug 92

[Text] Sergey Shoygu, chairman of the State Committee for Emergencies and representative of the Russian Government for holding consultations with the Georgian and Abkhazian sides on settling the conflict, held a news conference today, our correspondent has reported by phone.

[Correspondent V. Abramov] Sergey Shoygu reported that the trilateral agreement on a cease-fire in Abkhazia

concluded on 29 August came into force at 0000 on 31 August [2000 GMT, 30 August]. Russia is carrying out in full the obligations it has undertaken. Sergey Shoygu expressed the hope that the Georgian and Abkhazian sides would follow Russia's example and that military action would be suspended at least until the meetings between the leaders of Russia, Georgia, Abkhazia, and representatives of the Confederation of Mountain Peoples starting in Moscow on 3 September.

Let me note, and this also was mentioned at the news conference, that the situation in this region remains tense and explosive for the time being. Nothing has been defused yet, and although there is a protocol agreement, it is not being carried out. There also still is a difficult situation regarding the dispatch of humanitarian aid to residents who have suffered misfortune by being in the conflict zone. As before, the railroad and roads are blocked. There is the sea route, but it remains dangerous. So, there are no few problems facing the participants in the meetings in Moscow on 3 September.

NATO Delegation To Visit Tbilisi 'Shortly'

OW3008135892 Moscow INTERFAX in English 1201 GMT 30 Aug 92

[Transmitted via KYODO]

[Text] The leaders of NATO displayed "understanding for Georgia's attitude to the conflict in Abkhazia," Georgiy Chanturia, leader of Georgia's National Democratic Party, told IF [INTERFAX]. He was the head of a delegation that had visited the headquarters of the North Atlantic Treaty Organization.

According to G. Chanturia, during their meetings with "virtually all top-level NATO officials" in Brussels the delegates from Georgia briefed them on the developments in Abkhazia. A representative delegation from NATO will come to Tbilisi "shortly," he said.

People To Vote for Parliament Chairman

OW2908153492 Moscow INTERFAX in English 1511 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] The Georgian State Council has decided to make a major amendment to the regulations on the parliamentary election scheduled for October 11, 1992, namely that the parliament chairman will be elected by the general majority vote of the population.

The amendment, proposed by the majority of political parties, puts Eduard Shevardnadze, nominated candidate to the post by the Mshvidoba bloc, on a par with all other candidates.

Observers believe the council's decision puts all political parties and election blocs on an equal basis.

Shevardnadze Urged To Run

LD3008130292 Moscow ITAR-TASS in English 1210 GMT 30 Aug 92

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi August 30 TASS—Most parties of the Mir (peace) electoral bloc have appealed to President [as received] of the State Council Eduard Shevardnadze to remove his candidature from parliamentary elections and run separately for the post of chairman of the parliament. Previously Shevardnadze agreed to take part in the elections as the representatives of Mir, the largest electoral bloc.

That was the bloc's reaction to the changing of the procedure of parliamentary elections by the State Council the day before. The new procedure envisages the simultaneous holding of parliamentary elections and the election of the chairman of parliament, who will be elected on a majority basis by universal secret ballot. In order to be elected, a candidate to the post should get no less than one-third of the votes.

The Mir bloc supported the amendment to the election regulations, unprecedented in the world practice of parliamentary elections, which was put forward by most political associations of Georgian citizens. They were concerned that Shevardnadze's high rating would guarantee the Mir bloc advantages at the elections and the majority of seats in parliament.

Pro-Gamsakhurdia Opposition Demands TV Time

LD2808115292 Moscow ITAR-TASS in English 1020 GMT 28 Aug 92

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi August 28 TASS—Supporters of the former Georgian president held a rally in Zugdidi, a city in the west of the Republic, demanding that the government allocate them two hours of television time weekly. If the government turns down their request, they said, the pro-Gamsakhurdia forces will go over to the side of Abkhazian troops and fight against the Georgian Army.

S. Ossetia Calm; Arms Surrender Still Urged

LD3008110392 Moscow ITAR-TASS World Service in Russian 0800 GMT 30 Aug 92

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 30 Aug—With every passing day, inhabitants of South Ossetia are becoming more and more confident that peace and harmony will enter their homes forever. Another day passed relatively calmly on the entire territory of the republic. There were no armed clashes or exchanges of fire. This is borne out by information from the Supreme Soviet of South Ossetia and reports by the North Ossetian Security Ministry. The

Ossetian and Georgian sides are strictly observing the conditions of the peace agreement. Only on a sector of the Khekhvi-Tamarasheni road and on the border with Goris Rayon were several rounds of random machine gun fire noted.

The South Ossetia Government and the command of the peacekeeping forces once again appealed to the local population to surrender their arms within 10 days. Those who do not comply with the demand will be prosecuted.

According to information from the South Ossetian Council of Ministers, the contracts of the peacekeeping soldiers expire in the first few days of September. The Georgian and Ossetian battalions will continue their mission after the subunits have been renewed by the reserves. Subunits of the motorized rifle battalion will replace Russian airborne assault troops in the Tskhinvali zone.

The process of the return of refugees to South Ossetia is continuing. Over 22,000 people have left Vladikavkaz and rural rayons of North Ossetia for home to date.

Estonia

Parliament Approves State Budget for 1992

OW2708141892 Moscow BALTFAX in English 1335 GMT 27 Aug 92

[Transmitted via KYODO]

[Text] The Estonian Supreme Council approved Wednesday [26 August] a no-deficit state budget for the second half of 1992. All the budgetary spending and assets have been balanced and set at the level of 1,508,620,000 kroons ($134,333,594).

Beginning from the end of June, the deputies have been refusing to adopt the draft budget the republic's government prepared in compliance with the IMF laid requirements, asserting that it would be impossible to balance the books in Estonia under the conditions of plummeting production.

Ministry To Facilitate Russian Troop Withdrawal

OW2808211992 Moscow BALTFAX in English 1935 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] "We will try to do everything possible in order to facilitate the withdrawal of the Russian military units from Estonia. We are proclaiming this policy, and we are going to adhere to it," the Estonian deputy defense minister, Toomas Puura [position as received], said in an interview for BALTFAX commenting on the first meeting Friday [28 August] of the Russian and Estonian commissions addressing the military property issues.

Both commissions were set up in the middle of August as a result of a meeting between the representatives of the Estonian defense ministry with the first deputy commander-in-chief of the Russian North-Western Group of Forces, Lieutenant General Ledyayev.

The Estonian commission is composed of representatives of the defense ministry and the Main Headquarters of the Estonian Defense Forces. The Russian commission, headed by Colonel Anatoli Vetrogonov, includes officers from the units stationed in Estonia.

Toomas Puura told BALTFAX that at today's session the sides addressed "various technical problems", in particular, procedures for the Russian command requesting and the Estonian side granting the requests for withdrawing the property of Russian military units, military settlements transfer procedures, as well as the issues of various joint stock companies which have already purchased the real property left behind by then withdrawn units, etc.

"In fact, earlier we were not allowing them to move out of the Estonian territory, nor did we issue them any permits for military property withdrawal. Admittedly, it was due to us that the Russians even had to violate their own withdrawal schedule. We should put an end to this," Toomas Puura said. The Estonian deputy defense minister said that from now on the commissions will hold their sessions on a regular basis. The next meeting, in his words, will take place in a week or two.

Ruutel Holds Lead in Campaign for Presidency

OW2808193892 Moscow INTERFAX in English 1618 GMT 28 Aug 92

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—transmitted via KYODO]

[Text] Estonian Parliament Chairman Arnold Ruutel spoke addressed a conference organized by the block House of Hope with his presidential campaign platform. This is the first step of his campaign.

The presidential candidate laid out his views on the path Estonia has travelled toward independence and prospects for the development of the Estonian state.

Commenting on statements of another candidate, Rein Taagepera, that Ruutel, as a representative of the old party nomenclatura, should leave his post and not run for president, the parliament chairman said he is certain of his abilities "to help establish real independence in the future". Jaan Eilart, the candidates aid, added that "people like Arnold Ruutel have done everything possible for Estonian's independence for decades, and not just the past three or four years".

Mr. Ruutel explained the moderate activity of his election campaign by saying, "it would be simply immoral" to spend a lot of money on propaganda while the country's population is suffering such deprivation.

INTERFAX Report: Mr. Ruutel was nominated a presidential candidate through citizens' initiatives and was consequently supported by the block House of Hope Kindel Kodu. Election campaign leader for the Heido Vitsur block said that Kindel Kodu intends to spend some 100,000 kroons on their campaign. According to a survey of 1,000 people ordered by the newspaper ILTA SANOMAT and conducted by Estonian firm EMOR Ruutel holds the greatest support among Estonians. 43% of Estonian citizens and 47% of the republic's non-citizen residents support his candidacy. Lennart Meri, former Estonian Foreign Minister, Ambassador to Finland and candidate of the Isamaa block, holds the support of 31% of citizens and 6% of non-citizen residents. The candidates of the Popular Front block and National Independence party, Rein Taagepera and Lagle Parek have the support of 12% and 6% of the country's population respectively.

Latvia

Ministry Proposes Russian Troops Withdraw by '93

OW2508135092 Moscow BALTFAX in English 1318 GMT 25 Aug 92

[Transmitted via KYODO]

[Text] The Latvian Defense Ministry has prepared concrete proposals to Russia envisaging complete troops withdrawal from the territory of the republic by September 1993, said Latvia's deputy defense minister, Dainis Turlajs, at the session of the republic's parliamentary defense commission.

These proposals will be handed over to the Russian side during the next meeting of the two delegations.

Citizens Committee Urges Officers To Leave

PM2708151792 Moscow KRASNAYA ZVEZDA in Russian 27 Aug 92 p 3

[Report by Colonel Igor Golin of the Northwest Group of Forces Press Center under the "Direct Line" rubric: "Latvian Citizens Committee Decides... To Evict Servicemen and Launches 'Leaflet' War"]

[Text] Riga, 26 Aug—On opening the mailboxes in the entrances to their apartment blocks early one morning, officers resident in Skrunda Military Camp discovered, instead of the usual newspapers and letters, properly printed leaflets signed by the "Latvian Citizens Congress Committee." What did the gentlemen of the Latvian Republic's self-styled "mission" report?

Citing Latvian legislation and some "principles of international law" known only to it, the committee warned that the residents of the military camp are living on Latvian territory illegally. For this reason they are instructed to "leave Latvian territory in good time." "You will have to leave sooner or later," the leaflet's authors pontificate. "By postponing your departure you provoke the activation of forces that are prepared to resolve the question of Latvia's decolonization by violent means..."

It has to be said that leaflets with similar content were also discovered a while ago in the mailboxes of certain residents of Riga who are pensioners of the Russian Federation Defense Ministry. At the request of the council for the protection of armed forces veterans, the "Equal Rights" faction of the Latvian Republic Supreme Council sent the Latvian general prosecutor a statement about instituting proceedings against members of the Latvian Citizens Congress for fanning interethnic strife. Alas, the republic general prosecutor found no violations in the actions of this organization.

Ceremony Marks Nazi-Soviet Pact Anniversary

LD2408183392 Riga Radio Riga Network in Latvian 1730 GMT 23 Aug 92

[Text] [Announcer] At noon today Lithuanian, Estonian, and Latvian soldiers stood as guards of honor by the Monument of Liberty. Similar ceremonies took place in Vilnius and Tallinn. In Riga, Lithuanian, Latvian, and Estonian soldiers as well as all those present were addressed by Latvian Premier Ivars Godmanis and also by Lithuanian and Estonian representatives. Listen to what was said by Ivars Godmanis:

[Begin Godmanis recording] This commemoration takes place on the historic day which is written in our people's history in sad, mourning characters. Therefore I want to say what we must not allow. We must not allow behind our backs a second Molotov- Ribbentrop pact, whatever form it takes, to be concluded. We must not put our hand to, or sign, or agree to some kind of a signature laying down, as it were, the status of the Russian occupation troops in Latvia. These troops do not have such a status here. They have to go away from here. We must not yield to provocations or to what will be forced and attempted on us, in economic, military, or political respects by those forces that do not agree that there is a free Estonia, a free Lithuania, and a free Latvia. We must not repeat what happened on 17 and (?later in June) of 1940.

All this is difficult, and therefore I am looking with hope at you, at the future of Lithuania, Estonia, and Latvia, at our guards. We should not attack anyone but we have to defend, we have to defend our land, our people, and our state. And may you, soldiers, politicians, economists, and ordinary people, have enough strength and courage to do this. Therefore on this festive day, at this solemn place, I want to say: May God bless Lithuania, may God bless Latvia, may God bless Estonia—three free states on the Baltic Sea forever. [end recording]

[Announcer] After the meeting representatives of the Latvian, Lithuanian, and Estonian defense forces honored the memory of the victims of the January 1991 events at the Bastejkalns park in Riga and watched Juris Podnieks' film, "The Way of the Cross," at the Latvian War Museum.

Fear of Former Soviet Officer Immigration Noted

OW2808211492 Moscow BALTFAX in English 1937 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] The Latvian Citizenship and Immigration Department has submitted for consideration to the parliament a bill annulling all previously concluded agreements on preservation of the ownership right to apartment during the individual's extended absence. The Department officials believe that such a measure would help prevent mass immigration of the former Soviet Army officers to the republic.

According to the Department, a significant number of former Soviet Army officers with families have already moved to Latvia taking advantage of the right to retain an apartment. Thus, they occupied 4,000 apartments.

The parliament has adopted the bill in the first reading. However, it noted that it should be elaborated. "Not only former Soviet Army officers, but also people leaving the republic in order to study or work for a long period of time can suffer from "the incorrect wording", parliamentarian noted.

The parliament will further discuss this issue on September 1.

Parliament Factions on Accord on Russia Talks

OW2508135192 Moscow BALTFAX in English 1318 GMT 25 Aug 92

[Transmitted via KYODO]

[Text] The Latvian parliament's factions and commissions have initiated the discussion of a draft resolution prepared by the republic's Supreme Council in regards to the Latvian-Russian talks on the state level. The draft was prepared by members of the "Satversme" faction. The other parliamentary faction—representatives of Latvia's popular Front—resolved Monday to second the document as a whole, with some of its provisions subject to discussion.

The draft resolution contains a demand to complete the withdrawal of the Russian troops from the territory of the republic in 1993, preserve the Latvian borders as specified in international agreements, including the Latvian-Russian agreement of 1920. The documents also notes that the problems of citizenship cannot be resolved in Latvia under the conditions of presence of occupational forces.

Finnish Official Speaks on Joint Baltic Security

LD2708183492 Riga Radio Riga Network in Latvian 1300 GMT 26 Aug 92

[Text] Finnish Military Attache Yrjoe Honkanen presented his letters of accreditation at the Latvian Defense Ministry today. Finnish Ambassador Antti Lassila and the leadership of the Latvian Defense Ministry also took part in the accreditation ceremony.

This is the first step on the road to joint security in the Baltic countries, the Finnish envoy said.

In reply, Latvian Deputy Defense Minister Valdis Pavlovskis emphasized that it is very important for Latvia to gain the experience of the Finnish defense and security system. Together with Finland, the Baltic countries can be a great power; however, cooperation requires one country to have information about the other. That is why the Latvian Defense Ministry is organizing a conference at the end of September, at which Finland will study Latvia's political, economic, judicial, and military situation. Decisions will be made then on actual cooperation.

The Finnish military attache will reside in Tallinn; Yrjoe Honkanen will serve as military attache to all three Baltic countries.

UK To Return Latvian Gold in Near Future

LD2708094692 Moscow ITAR-TASS in English 0654 GMT 27 Aug 92

Riga August 27 TASS - ITAR-TASS—England intends to return to Latvia its gold reserve, weighing exactly 210,719,919 troy ounces, lying in the vaults of a London bank since the pre-World War II period, in the immediate future. Simultaneously, a proposal to resolve property claims have been put forward from the Thames riverside. The principles of this intergovernmental agreement were confirmed today by Latvia's Council of Ministers.

According to the document, the Bank of Latvia will receive the gold belonging to it, and both Governments cease to make mutual claims, which may emerge as a result of digging the history of bilateral relations. If any citizen or firm claims any compensations for any damage caused in the past, they will have the right to turn to the other country. But the Governments of the two states will not act on their behalf. Similar documents were signed by Lithuania and Estonia.

The Latvian Government in its today's session also took a decision regarding the ownership of all aerodromes situated on the republic's territory. Three military aerodromes were transferred to the republic's Ministry of Defence, and the rest - to the Ministry of Communications.

Godmanis on Problems, Prices in Power System

LD2908095592 Riga Radio Riga Network in Latvian 1730 GMT 28 Aug 92

[Text] Ivars Godmanis, chairman of the Latvian Council of Ministers, met on 28 August with the directors of the Latvenergo state enterprise. Also taking part in the talks was (Gunars Kolerts), deputy industry and power minister.

Ivars Godmanis noted that the main problems with the power system were the lack of measuring apparatus and dissatisfaction with the constantly increasing rates charged to energy suppliers. Ivars Godmanis stated that in paying for the development of other countries, we are unable to survive ourselves; therefore there must be an intensive search for alternate means of getting energy. At the moment the cost of electricity alone is three times cheaper than world prices, but gas and black oil prices, on which heating supplies also depend, must be at the level of world prices.

Inhabitants are currently consuming about 70 percent of the heating fuel produced and 80 percent of the electricity available. All of it has to be paid for in time.

Latvenergo has not even received payment of 1.1 billion rubles from enterprises, but fines continue to be imposed on debtors, (?including) even the sites of the former USSR Army.

Composition of Parliamentary Factions Reported

LD2708200892 Riga Radio Riga Network in Latvian 1730 GMT 26 Aug 92

[Text] There are now 181 deputies in the Supreme Council of the Republic of Latvia. Of these, 71 are certified members of the People's Front of Latvia faction, which thereby maintains its status as the biggest faction; 34 parliamentarians are in the Constitution [Satversme] faction. On 25 August, Supreme Council Chairman Anatolijs Gorbunovs was presented with a list of 20 deputies who represent the Equal Rights faction. Of the servants of the people, 66 have decided to be independent and are not aligned with any faction.

Lithuania

Government To Maintain 20,000-Strong Army

OW2708141292 Moscow BALTFAX in English 1336 GMT 27 Aug 92

[Following item transmitted via KYODO]

[Text] Lithuania is going to maintain a 20,000 strong regular army, said the republic's Home Guard Minister, Audrius Butkevicius in an interview to the Lithuanian daily paper "RESPUBLIKA".

In the opinion of the Lithuanian defense minister, at present the republic posses the "minimum of arms guaranteeing the operation of the Home Guard services". In his words, the republic's mobilization reserve should comprise 120,000 sets of armament.

Mr Butkevicius refused to reveal the number of available arms, noting that all of them were purchased for rubles. The price of a Russian-or Polish-made Kalashnikov automatic rifle, depending on its modification, cost from 9750 to 18750 rubles.

Although the subsistence to the Lithuanian soldiers is lower than that in Russia, the Lithuanian Government has to spend too much for maintaining a regular army, Mr Butkevicius said.

Agreement Reached on Polish Border Crossings

LD2808165192 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 27 Aug 92

[Report by correspondent Gene Abraitiene]

[Text] Yesterday the government approved an agreement concluded with the Polish Government on border crossing posts. It has been signed in Warsaw by representatives authorized by the government.

The agreement states that permission is given for continuous crossing of the border by motor vehicles at the Lazdijai and Radniki post, and by rail from Sestokai through Trakiskes to persons irrespective of their citizenship, means of transport, or to which state the carried load belongs. The states are obliged to open the Kalvarija-[name indistinct] border crossing post. When it is opened for the transportation of loads by motor vehicles, the Lazdijai-Radniki post will be used only for the transportation of passengers.

The sides will also apply other measures to ease traffic through the Lithuanian-Polish border and will seek opprtunities of opening new posts in convenient places.

This agreement was concluded for an unlimited period of time, but it will come into force only after it is confirmed by the governments of both countries. As I already mentioned, the Lithuanian Government approved it yesterday. Now a Polish reply is expected.

Further on Customs Protocol

OW2908161392 Moscow INTERFAX in English 1512 GMT 29 Aug 92

[Transmitted via KYODO]

[Text] The Chief Customs Officer of Lithuania, Kazimieras Pednycia, and the Chairman of the Central Customs Administration of Poland, Miroslaw Zielinski, had a meeting in Vilnius yesterday, at which they signed a protocol for a bilateral agreement to be signed this September.

The protocol brings the customs regulations and procedures of Lithuania into line with those of Poland, stipulates the establishment of joint checkpoints, and provides for mutual assistance in fighting drug traffic.

At a press conference after the meeting, Pednycia said the situation on the border would hardly improve before the Kalvarija-Budzisk checkpoint started operation. Lithuania attaches great importance to opening it because it would relieve the Lazdijai-Aradniki checkpoint, which is too busy at present. Lithuania has already made relevant proposals to Poland and is ready to open its own section of the checkpoint, whereas Poland is being too slow with its preparation work.

It was decided at the meeting that, until Poland opened its own section of the checkpoint, its customs officers would be working in the Lithuanian section.

Zielinski said the Polish government had already allocated funds for the equipment of the Kalvarija-Budzisk checkpoint, which could be put into operation by June 1, 1993.

Prime Minister on Government's Work

LD2808203892 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 27 Aug 92

[Report by Rima Jakutyte on press briefing by Prime Minister Aleksandras Abisala on 27 August in Vilnius on the government's work and negotiations with Russia, including recorded remarks made by Abisala at a news conference]

[Text] Pranas Karlonas at the microphone: A new phase has started in the negotiations and relations with Russia, Prime Minister Aleksandras Abisala said today at a briefing in the government building. Rima Jakutyte continues:

[Jakutyte] The new Lithuanian Government has been working for over a month. Today the first briefing took place. Prime Minister Aleksandras Abisala reviewed the work of the Government and the most pressing problems of Lithuania's economy. Among the greatest troubles, the prime minister mentioned the poor financial state and the resulting economic situation, social problems which arise from the state's economic situation, the situation in power enginering as a cold winter is approaching, and agrarian reform.

According to the prime minister, it is not easy and not quite clear how to solve these problems. The Government is seeking ways to step up the agrarian refom and restore the right of land ownership. It is expected that this fall another 26,000 farmers will regain their previous land. In all, there are 415,000 claimants to land or compensation for land; 382,000 of them have claims to land only.

According to Aleksandras Abisala, the land reform process may continue for 3-5 years. The Government, together with the Ministry of Agriculture, is endevouring to simplify the order of returning land and to better organize the work of agrarian services and the organizers of land exploitation. The prime minister stated that the Government has to draw up another two or three documents and then all processes linked with the return of land, its sale and purchase, exchange, and other matters would be juridically arranged.

This year is also difficult to agriculture because of the losses caused by the drought. The Government has adopted a decree on eliminating the consequences of the drought and a special fund has been set up. However, agricultural workers believe that this will not help to solve their problems. Prime Minister Aleksandras Abisala said:

[Abisala] I understand the dissatisfaction of agricultural workers with regard to this decree because it does not solve all their troubles, but I wish to say that it will never happen that somebody pays everybody for everything. This is limited by our possibilities, they are very limited, and the assistance from abroad is not extensive. The time has come to think more about how people can help themselves.

[Jakutyte] In the first days of his leadership, the prime minister stated that the Government would have to take unpopular steps and reduce social guarantees. However, this month the Government decided on a 24-percent increase in the wages of officials at budget institutions, and pensions were increased by 5 percent. The prime minister called this decision difficult but essential because of the social and economic situation and the demands of the law on the guarantees of income. At the same time, he warned that another such increase in wages will soon not be possible. Apart from that, it may be necessary to ask the Supreme Council to abolish or change the law on the guarantees of income.

When asked, how can people live when the price of food products, transport, electricity, and heating are increasing, Aleksandras Abisala replied:

[Abisala] I really do not know how we are going to behave in each case, what specific steps will be taken so that people can survive. I think our system of social guarantees is too total, it endeavors to support all and therefore gives little support to all. The first thing which I asked to elucidate—and attempts are in progress to do and plan this—was how to direct essential assistance to those people who are really in the worst situation. Second, it is not a secret that at present we are counting the price of energy, should Russia demand 19,000 rubles for crude oil and 14,000 for gas. We are counting on this black version—and it is really black. Of course, even this blackest version intends to charge prices to the residents which are 3, 4, 5, 10 times lower, depending on the kind of energy, than the cost, covering this by other means from this same power engineering system. We are trying to ensure that there is no great shock when the former small compensated prices becomes a new high and by no means compensated. We are not going to do this, we are going to try to ease this transfer. However, the future belongs to real payment for real value.

[Jakutyte] Russia has already stated that it will stop the supply of natural gas to Lithuania if Lithuania does not pay for the gas already received at prices which are several times higher. According to the prime minister, it is not very correct of Russia to ask Lithuania to pay $127 per one tonne of oil when it receives on average only $100 per tonne, and to demand $90 for 1,000 cubic meres of gas when Russia receives only $65-75, moreover as the Lithuanian-Russian treaty speaks of the regime of the greatest favor in trade.

However Aleksandras Abisala asserted that a new phase has started in the negotiations and relations with Russia. As is known, Lithuanian-Russian negotiations are to start tomorrow in Moscow on economic and trade relations. According to the prime minister, the initiative has officially come from the Russian Government, and this might mean that the Russian Government has changed its policy

of delay and halting. In the prime minister's opinion, the new phase in Lithuanian-Russian relations is also testified to by the coming meeting of Supreme Council chairman Vytautas Landsbergis with Russian President Boris Yeltsin in Moscow on 8 September. The state leaders reached their agreement yesterday by telephone.

[Abisala] I think serious processes are developing in our relations with Russia. The news yesterday about a telephone conversation and agreement between the chairman of the Supreme Council and the Russian president was rather unexpected. It was not unexpected to everyone as the preparation [words indistinct]. One may feel that the result of this meeting should be sufficiently good to both sides. I am a sufficiently informed optimist but I will not believe that everything ends well [words indistinct] with signatures, but a new phase in the negotiations and relations has started.

[Jakutyte] The prime minister also said that a program of government actions in economic reform will be adopted on 2 September. IMF Director Michel Camdessus has stated that the IMF could grant a weighty assistance to the national currency in Lithuania if the Lithuanian Government supports a real and convincing program of economic reform. The prime mInister stressed that the Government program is not a declaration to the IMF, but really the program of actions by the Lithuanian Government.

Aleksandras Abisala did not speak in specific terms about the introduction of the litas. However, he neither confirmed nor denied the Latvian version, saying that it may happen that, with the issue of more general coupons, they would supplant Russian rubles in circulation, and would become a currency of the transitional period.

Abisala Hopes For Improved Russian Relations

LD2808164692 Moscow ITAR-TASS World Service in Russian 1540 GMT 27 Aug 92

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius, 27 Aug—"Since I am in possession of sufficient information I am optimistically inclined in regards to an improvement in cooperation with Russia," Lithuanian Prime Minister Aleksandras Abisala stated today at a briefing. [BALTFAX in English at 1801 GMT on 27 August in a similar report adds: "'In all probability, the Russian government has changed its policy from standoff to start,' Mr Abisala emphasized."] He stressed that after the recent telephone conversation between Vytautas Landsbergis, chairman of the Republic's Supreme Council, and Russian president Boris Yeltsin, it became known that a meeting of heads of both states will be held on 8 September in Moscow, at which vital bilateral issues—inter alia, the withdrawal of Russian troops from Lithuania—would be discussed.

The prime minister went on to say that "a dynamic phase of our talks with Russia has begun." At long last Moscow has switched from the stage of expectations in relations with Lithuania to the process of resolving existing problems. In this context Aleksandras Abisala revealed that he places high hopes on tomorrow's bilateral meeting at the level of governmental working groups on trade and economic cooperation and the settlement of debts. As is known, this meeting was proposed by acting Russian Premier Yegor Gaydar

Landsbergis Urges End to Hostilities in Georgia

LD2708165792 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 26 Aug 92

[Text] The public relations group of the Supreme Council information and analysis center has published a statement by the Supreme Council chairman on the situation in Georgia.

The political confusion in Georgia, with the ensuing violence, human casualties, and international destabilization, is a matter for concern, Lithuanian Supreme Council Chairman Vytautas Landsbergis said.

The armed conflict, which should be avoided, is being joined by other countries. It is not clear what the most important competing political forces in Georgia itself stand for, in regards to the country's independence and integrity, and the prospect of new democratic elections is becoming ever more doubtful.

Lithuania supported Georgia in the spring of 1989 and recognized its independence at the end of 1981. We wish only well to the friendly state which, like Lithuania, has a complex history of suffering. Now we think that all military actions must be immediately and unconditionally stopped, and that armed forces should be returned to, and kept within, their previous limits of deployment. The internal political forces in Georgia could then pledge themselves not to use any force against each other. This would create the necessary conditions for talks aimed at finding a peaceful and democratic solution of the problems.

Fire in the whole Caucasus does not promise any good to anyone, Vytautas Landsbergis concluded.

Landsbergis on Armenia-Azerbaijan Conflict

OW2808161392 Moscow BALTFAX in English 1353 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] "The armed confrontation between Armenia and Azerbaijan, especially in Nagorno-Karabakh, is an adversity which should be settled," reads the statement made Thursday [27 August] by Lithuania's chairman of the Supreme Council, Vytautas Landsbergis.

"All hostilities and any use of force, blockades, as well as uncontrolled movement of armed detachments should be ended. The sides should announce truce in their confrontation and assume strict commitments for its observance. Only then will it become possible to create

conditions for a political dialogue and search of solution," Mr Landsbergis maintains.

Prime Minister Receives British Ambassador

LD2708195692 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 26 Aug 92

[Text] Prime Minister Aleksandras Abisala today received Michael John Peart, ambassador extraordinary and plenipotentiary of the United Kingdom of Great Britain and Northern Ireland, at the latter's request.

They exchanged views on how the cooperation between the two countries should be developed; on issues relating to the rendering of methodical assistance in reorganizing the Bank of Lithuania; on improving the government apparatus; and on training officials at ministries and departments.

Other issues of mutual interest were also discussed.

The prime minister expressed his wish that experts who arrive to give consultations could work in Lithuania for longer periods. This wish will be considered.

The prime minister and the ambassador agreed that more attention should be paid to the teaching of the English language in primary and secondary schools. Schools will be given assistance in this matter.

They also discussed the problems of ensuring a speedier withdrawal of the Russian Army from Lithuania. The British ambassador gave an assurance that his country, guided by the agreements adopted at this year's Helsinki meeting, will support the Baltic states' lawful demand for a speedier withdrawal, without reservations, of the foreign army from their countries.

The prime minister and the ambassador also discussed other issues of interest to the two countries.

Candidates To Reveal KGB, CPSU Connections

OW2808162492 Moscow BALTFAX in English 1353 GMT 28 Aug 92

[Transmitted via KYODO]

[Text] The Central Commission for the Elections to the Lithuanian Parliament - Sejm - has approved the candidates' registration forms in anticipation of the elections due to be staged October 25.

The presidential runners will have to answer whether any of them at any time were recruited by the KGB (MGB) or other foreign special services and fulfilled their assignments. The form also contains a question in regards to the candidate's membership in the Communist Party and the post he or she held in it.

The form contains 26 queries relating to the candidate's education, social involvement, and other c.v. data.